S. 1478

At the request of Mr. SANTORUM, the names of the Senator from Michigan (Ms. STABENOW) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 1478, a bill to amend the Animal Welfare Act to improve the treatment of certain animals, and for other purposes.

S. 1482

At the request of Mr. HARKIN, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 1482, a bill to consolidate and revise the authority of the Secretary of Agriculture relating to protection of animal health.

S. RES. 109

At the request of Mr. REID, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S.Res. 109, a resolution designating the second Sunday in the month of December as ''National Children's Memorial Day'' and the last Friday in the month of April as ''Children's Memorial Flag Day.''

S. RES. 161

At the request of Mrs. MURRAY, the name of the Senator from Oregon (Mr. SMITH of Oregon) was added as a cosponsor of S.Res. 161, a resolution designating October 17, 2001, as a ''Day of National Concern About Young People and Gun Violence.''

S. RES. 164

At the request of Mr. BIDEN, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S.Res. 164, a resolution designating October 19, 2001, as ''National Mammography Day.''

S. CON. RES. 17

At the request of Mr. SARBANES, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S.Con.Res. 17, a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH:

S. 1497. A bill to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. HATCH. Mr. President, I rise today to introduce the Virgin River Dinosaur Footprint Preservation Act. Originally introduced in the House by Representative JAMES HANSEN of Utah, this legislation is vital in guaranteeing the preservation of one of our Nation's most intact and rate pre-Jurassic paleontological discoveries. I applaud Chairman HANSEN for his leadership on this issue.

In February 2000, Sheldon Johnson of St. George, UT began development preparations on his land when he uncovered one of the world's most significant collections of dinosaur tracks, traildraggings, and skin imprints in the surrounding rock. The site has attracted thousands of visitors and the interest of some of the world's top paleontologists.

This valuable resource is now in jeopardy. The fragile sandstone in which the impressions have been made is in jeopardy due to the heat and wind typical of the southern Utah climate. We must act quickly if these footprints from our past are to be preserved. This bill would authorize the Secretary of the Interior to purchase the land where the footprints and traildraggings are found and convey the property to the city of St. George, UT, which will work with the property owners and the county to preserve and protect the area and resources in question. I urge my colleagues to support this effort to protect our national treasure.

By Mr. KERRY (for himself, Mr. BOND, Mr. SCHUMER, Mr. BINGAMAN, Mr. INOUYE, Mr. WELLSTONE, Mr. SARBANES, Mr. AKAKA, Mr. HARKIN, Mr. REED, Mrs. CLINTON, Mr. DURBIN, Mr. CLELAND, Mr. KENNEDY, Mr. LIEBERMAN, Mr. GRASSLEY, Mr. TORRICELLI, Mr. DASCHLE, Mrs. LINCOLN, Mr. EDWARDS, Mr. ROCKEFELLER, Mrs. CARNAHAN, Mr. HOLLINGS, Ms. SNOWE, Mr. LEAHY, Mr. CORZINE, Mr. LEVIN, Ms. CANTWELL, Ms. LANDRIEU, Mr. ALLEN, Mrs. MURRAY, Mr. JOHNSON, Mr. NELSON of Florida, Mr. BIDEN, Ms. COLLINS, Mr. ENZI, Mr. BURNS, and Mr. CRAPO):

S. 1499. A bill to provide assistance to small business concerns adversely impacted by the terrorist attacks perpetrated against the United States on September 11, 2001, and for other purposes; read the first time.

Mr. KERRY. Mr. President, I am introducing today, together with Senator BOND, the ranking member of the Committee on Small Business and Entrepreneurship, and 26 of my colleagues, including Senators WELLSTONE, HARKIN, CLELAND, LIEBERMAN, EDWARDS, CARNAHAN, LEVIN, SNOWE, SCHUMER, CLINTON, DASCHLE, BINGAMAN, INOUYE, SARBANES, AKAKA, REED of Rhode Island, DURBIN, KENNEDY, GRASSLEY, TORRICELLI, LINCOLN, ROCKEFELLER, HOLLINGS, LEAHY, CORZINE, CANTWELL, LANDRIEU, ALLEN, MURRAY, and JOHNSON, the American Small Business Emergency Relief and Recovery Act of 2001.

This is emergency legislation to help small businesses that have been impacted as a consequence of the attacks that took place on September 11. Thousands of small businesses employing millions of Americans are suffering significantly as a consequence of what has happened. Many of these companies may not survive. But these businesses are the engine of our economy and we need to act to help them.

This bill is the product of bipartisan work on our committee. I thank Senator BOND for cosponsoring it and for working with us. It includes input from many sources, much of which was gathered through a combination of about 30 meetings and conference calls with small business trade associations, contractors, subcontractors, small business lenders, and small business consultants.

Of course, I think we have all learned firsthand a lot from the small business owners who have told us their personal stories of healthy businesses—up until September 11—which have simply taken a nosedive as a consequence of the tragic events.

Our airport small businesses, our taxi drivers, small hotels and restaurants, small suppliers, travel agents, crop dusters, charter bus companies, and many others have called to explain their plight. For example, there is a woman in my State who started a travel agency 26 years ago in a suburb of Boston. She has six employees. She is hanging on now only through personal savings because they have zero business all of a sudden. The agency has virtually no incoming sales, and has had to refund commissions on all canceled vacation packages, cruises and airline tickets that had generated income over the past 6 months.

Yesterday, I met with a fellow who does a lot of business out in North Dakota. Senator CONRAD introduced us. They were doing 20,000 sales a day. They went down to two sales a day for a period of time. They are now back up to about 10,000. But the problem is that banks are withholding the lines of credit for many of these companies, and we want them to survive.

In New York where more than 14,000 businesses inside and around ground zero have been impacted, there's the story of Sydmore Sportswear just four blocks from where the World Trade Center once stood. Joseph Pinkas, who's owned the small business for 20 years owes $100,000 to his suppliers, and revenues are down 65 percent. ''We don't know where our customers are going to come from,'' he said in an AP story. ''I'm worried about the future, about survival. I don't sleep at night.'' Other businesses in the area are filled with dust and debris, and their phones are dead.

Small businesses doing business with the Federal government have also felt the impact of the attacks on September 11, 2001. Small business contractors, because of very real and legitimate security concerns, have experienced a dramatic increase in costs for work in and around Federal government facilities. We have heard reports of small businesses being denied access to their equipment on military bases, waiting for hours each day to enter government facilities and being limited in the hours they can work on their

contracts. Once again, let me stress, these security precautions are very necessary, but they are having a dramatic impact on our small businesses. Many small businesses, particularly those performing government contracts, operate on a tight profit margin, so when the contract takes longer to complete, or rented equipment goes unused or can not be returned, unanticipated costs are incurred.

Let me cite the situation faced by Dave Krueger, president of AS Horner Construction, Inc. out of Albuquerque, NM. Dave is currently doing work on a Federal contract at an Air Force facility pouring concrete parking aprons. Immediately after the attack, his company was locked out of the facility for nearly two weeks and currently have limited hours to access the construction site. Dave estimates that this will result in cost increases of at least 10 to 15 percent, meaning he will take a loss on this contract.

Such situations cannot go unresolved. Small businesses are far too important, not just to our national economy, but to our national defense as well. Small business are a vital component of our national supply chain and essential to our national security interests.

This act was designed to mitigate bankruptcies, business closures, and layoffs related to the attacks. It also addresses the shrinking availability of credit and venture capital to small businesses through traditional lenders and investors, which has been exacerbated by the attacks. It includes changes in SBA's main non-disaster lending and venture capital programs in order to encourage borrowing and lending for new and expanding small businesses that might otherwise be reluctant to start or expand their businesses in the post-September 11 economy.

This legislation addresses three categories of small businesses:

One, small businesses directly affected because they are physically located in or near the buildings or areas attacked or closed for security measures, or are located in national airports. For example, a brokerage firm located in one of the World Trade Center Towers or an independent souvenir shop in the Reagan National Airport or the Miami International Airport. These businesses will be eligible for SBA's economic injury disaster loans, under more favorable terms, such as deferring the payments and forgiving the interest on these loans for two years, as well as increasing the loan caps and extending the deadline for applying for disaster loans to one year.

Small businesses not physically damaged or destroyed or in the vicinity of such businesses, but directly or indirectly affected because they are a supplier, service provider or complementary industry, especially the financial, hospitality, travel and tour industries. For example, a tour company in Hawaii or Rhode Island that has had hardly any sales since the attacks because the average occupancy at its client hotels has dropped to 10 percent. These businesses are eligible for 7(a) loans, tailored to be easier to qualify for, to have lower interest rates, and to offer the option of deferring the principal payments for 1 year.

Small businesses in need of capital and investment financing, procurement assistance or management counseling in the economic aftermath of September 11. These businesses will have access to a variety of SBA's programs with incentive features, such as waiving the borrower's fee for a regular 7(a) loan for working capital or a 504 loan to buy equipment to increase productivity and beat the competition, or cut energy consumption and utility costs.

Mr. President, history has taught us that, during an economic down turn, lenders become increasingly reluctant to lend to small businesses. From our contact with lenders, we know loan committees decided days after the attacks to clamp down on loans to small businesses. And to make matters worse, lenders are already calling in existing loans. One example is a woman who owns a manufacturing businesses in Quincy, MA, whose bank called her loan and credit line. She's never missed a payment. Where is she going to come up with more than $1 million? If her business closes, 40 jobs are lost, her contribution to the tax base is lost, and she's out of a job. It is critical to keep credit available to small businesses.

In addition to getting credit into the hands of small businesses, it is important to make sure they have access to counseling and training to run their businesses better, deal with the volatile market, and adjust to the changing times. Providing access to such counseling helps protect our investment in their loans because a stronger business is more likely to repay its loans. This legislation increases funding for the Small Business Development Centers, with an emphasis on New York and Virginia, as well as the volunteer Service Corps of Retired Executives, the Women's Business Centers, and SBA's microlending experts.

To help alleviate the unfortunate situations related to delayed Federal contracts, my legislation includes provisions to help expedite the claims of small business contractors applying for equitable adjustments to their contracts. The goal of this provision, simply, is to help offset the unanticipated and temporary costs of the increased security at Federal Government facilities. Additionally, it establishes a $100 million fund under the control of the Small Business Administration to ensure that no contracting agency has to pay out of previously allocated funds the increased costs of existing contracts because of the security measures implemented as a result of the September 11th attacks.

I have confidence in our economy. The attacks may have arrested one of our financial centers momentarily and robbed families and businesses of thousands of brilliant and hard-working folks who helped make our country prosperous, but our economic foundation is strong. We have world-class universities, we have a great work force made up of people with an amazing work ethic, our banks are strong, we have a reliable infrastructure for communications, energy and transport, and the dollar is holding up.

Now is not the time to pull back on investing in our economy, particularly in small-business development and growth. The SBA is doing a good job with the tools it has, but we need to improve those tools and give SBA more resources to deal with the scope of the problems faced by small businesses in the aftermath of September 11th. This legislation does just that. I urge my colleagues to support this bill, and the Senate to act quickly so that this emergency help is available very soon.

Mr. President, Senator AKAKA could not be present to voice his support for this bill and concern for the small businesses in Hawaii, so I ask unanimous consent that his statement be included in the RECORD. I also ask unanimous consent that a letter of support and the bill be printed in the RECORD.

In addition to this legislation that I am introducing today, there are a series of tax items that we believe fall into the category of stimulus, but they are not within the jurisdiction of our committee. As a member of the Finance Committee, I am going to encourage our committee to embrace these. One would be an increase in expensing, so that you can deduct an expense up to $24,000 of the cost of qualifying property; and we would encourage that increase and expensing to encourage greater business investment, and we want that expensing allowance increased to a higher amount.

In addition, I have several times introduced—and I will reintroduce—a zero capital gains tax for those companies with capitalization up to $200 million or $300 million in new capitalization in the critical technologies or entrepreneurial businesses, where we would most respond to the creation of the high-value-added jobs or some of the technology fixes that will exist for security, for instance, or for national defense and other things that we need to do with respect to the battle against terrorism.

Third would be changes in depreciation. There are a number of proposals for changes to depreciation rules. We would support some, such as changing the depreciation schedule for computer hardware from 5 years to 3, software from 3 years to 2, or several other proposals.

Mr. President, there are a number of these tax proposals which the Small Business Committee will refer to the Finance Committee and to our colleagues with hopes that we can embrace them as a component of the stimulus package because they will have a

stimulus effect and a long-term beneficial effect on our economy.

Small businesses, as we all know, small businesses represent 99 percent of all employers, provide 75 percent of all net new jobs and contribute significantly to our economy. Every single company on the stock exchange today began as a small business. Some of them, such as Callaway Golf, Federal Express, Intel, and many others, got help through the Small Business Administration's loans or venture capital.

The Federal Government helped provide the impetus for those companies. We have many times over repaid the Federal Treasury the entire budget of the Small Business Administration and its lending programs through the taxes paid by the success stories of our investments.

I encourage my colleagues to embrace this emergency relief act, the American Small Business Emergency Relief and Recovery Act, and these emergency tax measures, as a way of encouraging further business growth and development.

Mr. President, I ask unanimous consent to print in the RECORD a letter from the National Community Reinvestment Corporation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COMMUNITY
REINVESTMENT COALITION,
Washington, DC, October 2, 2001.

Hon. JOHN F. KERRY,
Chairman, Committee on Small Business and Entrepreneurship, Washington, DC.

DEAR CHAIRMAN KERRY: The National Community Reinvestment Coalition (NCRC) strongly supports the American Small Business Emergency Relief and Recovery Act of 2001 as essential to the efforts of lending institutions, community organizations and local public agencies to help small businesses directly and indirectly impacted by the September 11th terrorist attacks. NCRC and our 800+ member organizations community groups and local public agencies around the country also commend your leadership on this legislative measure and pledge to promote this bill via our membership and through our policy initiatives.

In today's new enterprise marketplace, entrepreneurs have surged into small businesses ownership in record numbers. Their impact on U.S. growth and productivity is evident.

America's 25.5 million small businesses represent more than 99 percent of our nation's employers. They employ 51 percent of the private sector workforce and create over 80 percent of all the net new jobs in the United States.

In 2000, there were 612,400 new employer firms, an increase of 4.3 percent from 1999. Small business bankruptcies decreased by 14.8 percent between 1999 and 2000, to the lowest level in over 20 years. And the business failure index also decreased by 1.7 percent since, 1999.

Small businesses' income increased 7.2 percent, rising from 595.2 billion in 1998 to $638.2 billion in 1999. They represent 96 percent of all exporters of goods and generate more than half of the nation's gross domestic product.

Today, however, hardship and economic adversity have stricken the small business marketplace as a result of the September 11th attacks. NCRC commends the Small Business Administration (SBA) for acting quickly to help entrepreneurs deal with the aftermath of the attacks. Unfortunately, SBA's authority is limited under the Disaster Loan Program guidelines. SBA may only provide assistance in declared disaster areas' contiguous communities.

What will happen to the gift basket service whose sole distribution source was a florist in one of the World Trade Center towers? What will happen to the small catering business that has had to lay off staff as a result of banquet cancellations and no new bookings? And what will happen to the independent souvenir store in Ronald Reagan International Airport and other airports, given current lack of traffic in the terminals?

Your American Small Business Emergency Relief and Recovery Act of 2001 is key to the recovery efforts. If enacted, it will help small business entrepreneurs drive the American economy. NCRC has long championed the role of small businesses in growing and expanding our economy. Since our inception in 1990, we have led the charge to bring equal access to credit and capital to all emerging market sectors. One highly successful capacity-building initiative is the SBA/NCRC partnership on the CommunityExpress program.

CommunityExpress is part of SBA's initiative to spur economic development and job creation in under-served communities. The program combines SBA loan guarantees, targeted lending by select banks, and technical assistance from local NCRC membes. The key to CommunityExpress is that it provides small business entrepreneurs with technical and managerial assistance before and after the loan is made.

The SBA/NCRC cooperative effort has led to the rapid growth of the loan program from a level of just over $2 million in Fall 1999 to over $42 million in loans as of September 2001. Of the 439 loans to date, women and minority entrepreneurs have been the greatest beneficiaries, as nearly 56 percent of the loans have gone to women and 52 percent of loans have gone to minorities. The average size of a CommunityExpress loan is $96,527 with 61 loans between $200,000 and $250,000.

Your leadership has paved the way to support small businesses in the wake of the September 11th tragedy. NCRC pledges to continue support your efforts and to help entrepreneurs in low- and moderate-income areas through CommunityExpress and other initiatives.

We thank you for your continuing efforts. We look forward to working with you and your outstanding staff during the course of the 107th Congress—and beyond.

Yours sincerely,

JOHN TAYLOR,
President and CEO.

Mr. BOND. Mr. President, I rise today to express my strong support for the American Small Business Emergency Relief and Recovery Act of 2001. I thank Senator JOHN KERRY for introducing this bill, and I am pleased to be its principal cosponsor. In this period immediately following the September 11 terrorist attacks on the World Trade Center and the Pentagon, I urge all my colleagues to review this bill closely. Its prompt passage will provide important tools to small businesses that were directly and indirectly harmed by the terrorist attacks.

As the ranking member of the Committee on Small Business and Entrepreneurship, I receive on a daily basis pleas for help from small business in Missouri and across the Nation: small restaurants who have lost much of their business due to the fall off in business travel; local flight schools that have been grounded as a result of the recent terrorist attacks; and Main Street retailers who are struggling to survive in the slowing economy. Clearly, we in Congress must act and act soon to help our Nation's small businesses.

In response to these urgent calls for help, yesterday, I introduced the Small Business Leads to Economic Recovery Act of 2001 (S. 1493), which is designed to provide effective economic stimulus in three distinct but complementary ways: increasing access to capital for the Nation's small enterprises; providing tax relief and investment incentives for our small firms and the self-employed; and directing one of the Nation's largest consumers, the Federal Government, to shop with small business in America.

The Kerry-Bond bill goes to the heart of the problem by addressing the access to capital barriers now confronting small businesses. This bill is a bipartisan collaboration between Senator KERRY and me and our staffs of the Committee on Small Business and Entrepreneurship. We have worked together to devise one-time modifications to the SBA Disaster Relief, 7(a) and 504 Loan Programs because the traditional approach to disaster relief will not address the critical needs of thousands of small businesses located at or around the World Trade Center, the Pentagon and in strategic locations throughout the United States.

In New York City, it may be a year or more before many of the small businesses destroyed or shut down by the terrorist attacks can reopen their doors for business. Small firms near the Pentagon, such as those at the Reagan National Airport or Crystal City, Virginia, are also shut down or barely operating. And there are small businesses throughout the United States that have been shut down for national security concerns. For example, General Aviation aircraft remain grounded, closing all flight schools and other small businesses dependent on single engine aircraft.

Regular small business disaster loans fall short of providing effective disaster relief to help these small businesses. Therefore, our bill will allow small businesses to defer for up to two years repayment of principal and interest on their SBA disaster relief loans. Interest that would otherwise accrue during the deferment period would be forgiven. The thrust of this essential new ingredient is to allow the small businesses to get back on their feet without jeopardizing their credit or driving them into bankruptcy.

Small enterprises located in the presidentially declared disaster areas surrounding the World Trade Center and the Pentagon are not the only businesses experiencing extreme hardship as a direct result of the terrorist

attacks of September 11. Nationwide, thousands of small businesses are unable to conduct business or are operating at a bare-minimum level. Tens of thousands of jobs are at risk of being lost as small businesses weather the fall out from the September 11 attacks.

The Kerry-Bond bill provides a special financial tool to assist small businesses as they deal with these significant business disruptions. Small businesses in need of working capital would be able to obtain SBA-guaranteed ''Emergency Relief Loans'' from their banks to help them during this period. Fees normally paid by the borrower to the SBA would be eliminated, and the SBA would guarantee 95 percent of the loan. A key feature of the bill is the authorization for banks to defer repayment of principal for up to one year.

My colleagues and I have been hearing time and time again during the last three weeks since the terrorist attacks that small businesses are experiencing significant hardship. The downturn in business activity, however, was clearly underway prior to September 11. The downturn was further exacerbated by the terrorist attacks.

Historically, when our economy slows or turns into a recession, the strength of the small business sector helps to right our economic ship, with small businesses leading the nation to economic recovery. Today, small businesses employ 58 percent of the U.S. workforce and create 75 percent of the net new jobs. Clearly, we cannot afford to ignore America's small businesses as we consider measures to stimulate our economy.

The Kerry-Bond bill would provide for changes in the SBA 7(a) Guaranteed Business Loan Program and the 504 Certified Development Company Loan Program to stimulate lending to small businesses that are most likely to grow and add new employees. These enhancements to the SBA's 7(a) and 504 loan programs are to extend for one year. They are designed to make the program more affordable during the period when the economy is weak and banks have tightened their underwriting requirements for small business loans.

Specifically, when the economy is slowing, it is normal for banks to raise the bar for obtaining commercial loans. However, making it harder for small businesses to survive is the wrong reaction to a slowing economy. By making these one-year adjustments to the 7(a) and 504 loans to make them more affordable to borrowers and lenders, we will be working against history's rules governing a slowing economy, thereby adding a stimulus for small businesses. Essentially, we will be providing a counter-cyclical action in the face of a slow economy with the express purpose of accelerating the recovery.

The SBA has a very effective infrastructure for providing management assistance to small businesses located nationwide. The Small Business Development Center (SBDC), SCORE, Women's Business Center and Microloan programs provide much needed counseling to small businesses that are struggling or facing problems in their start-up phase. With the U.S. economy under unusual stress, many segments of the small business community are today unable to cope with daily management issues.

The Kerry-Bond bill would authorize expansions in these programs so that the SBDCs, the SCORE chapters and the Women's Business Centers are positioned to address the needs of a large influx of small businesses looking for help. Our bill would create special authorizations for each program to provide assistance tailored to the needs of small businesses following the September 11 terrorist attacks. In addition, the bill would increase the authorization levels by the following amounts: SBDC program $25 million, SCORE $2 million, Women's Business Centers, $2 million, and Microloan technical assistance, $5 million.

In order to measure the impact of the terrorist attacks on small businesses and the effectiveness of the Federal response to provide assistance, the Kerry-Bond bill directs the Office of Advocacy at the SBA to submit annual studies to the Congress for the next five years outlining its findings. Specifically, each annual report should include information and data on bankruptcies and business failures, job losses, and the impact of the assistance to the adversely affected small businesses. $500,000 annually is authorized for the Office of Advocacy to carry out this important five year project.

The American Small Business Emergency Relief and Recovery Act of 2001 is important legislation that is needed to help the many struggling small businesses. I am pleased to join Senator KERRY and my colleagues who are cosponsoring the bill in urging an early debate on this bill. Swift passage will very helpful to the long-term survival of many of American's small businesses.

Mr. BINGAMAN. Mr. President, I rise today in extremely strong support of S. 1499, the American Small Business Emergency Relief and Protection Act, and I am pleased to be an original cosponsor of the legislation. In the aftermath of the attacks on New York City and the Pentagon on September 11, we were right I believe, to focus our attention on the loss of human life and the enormous tragedy that had affected our entire Nation. From my perspective, there would have been something callous about calculating economic impact when there was so much visible pain and suffering going on around us.

But as time has passed, there is an economic reality that must be addressed in a coherent and effective fashion. The increasingly negative economic reports we face cannot be ignored as they have immediate and tangible effects on the people and communities of our country. Over the last week or so the administration, along with key Members of Congress, have discussed the creation of an economic stimulus plan that is designed to pull our country and our economy back on track and back to where it belongs. Although this plan has yet to be solidified, it will provide Americans with a stable and secure foundation upon which public confidence can grow again, economic growth can expand again, and business productivity can increase again.

The bipartisan legislation that was introduced today by Senator KERRY will complement this economic stimulus package by giving substantial assistance to the small businesses that were either directly affected by the events on September 11 or subsequently affected by the ripple that has spread across the United States. Senator KERRY has very wisely taken an approach that looks not only at the small businesses that were in the immediate areas of the attack and thus suffered as a result of the damage or closures, but also those businesses—supplier firms, contractors, and so on—that have suffered indirectly as a result of the initial destruction. These businesses will now have the opportunity to obtain a number of benefits not previously available under current legislation. In brief, the legislation: expands and facilities access for small business to the SBA Disaster Loan Program; offers incentives that allows business to use the 7(a) and 504 Loan Programs; provides additional funds to the SCORE and SBDC Programs, and; increases outreach done by SBA to small businesses in need of management consulting.

Let me provide some context to this effort. From where I sit, no sector of the economy is as vital, dynamic, and creative as small business. If you read the paper or listen to the news, you know that there has been an entrepreneurial explosion in the United States over the last decade, and that this explosion has significantly impacted every region in the country. According to the latest estimates, there are at least 24 million full time small businesses in the United States at this time, employing millions of Americans. Make no mistake about it, these businesses drive the U.S. economy, as they are the ones that fire innovation, provide jobs, and create wealth for the country as a whole. When we talk about the knowledge economy, we are talking about small business. When we talk about energy and risk-taking, we are talking about small business. When we talk about the ''creative destruction'' that enhances our over-all competitiveness and pushes our country forward, we are talking about small business.

Small business represents the best of the United States, and from where I sit we should always make sure it has everything it needs to make a go of it. In my State of New Mexico, there are nearly 40,000 small businesses, over half

owned by women and minorities. These entities employ nearly 60 percent of the individuals that are now working in my state and generate billions of dollars in revenue. New Mexico depends on small business for its continued economic welfare, and I am committed to helping them succeed in good times and in bad.

It is never easy to start a small business or earn a profit, but it has gotten significantly harder recently. Many small businesses were already teetering on the brink as a result of the economic downturn, but in number of cases, conditions have become unmanageable as a result of the September 11 events and the recession. It is time to recognize that these folks need some help. This legislation does that. It shows that the Congress cares about what has happened and will do everything in its power to put things back on track again. It accepts the fact that these folks are not experiencing a normal business cycle downturn, and that they can't wait for the next upturn for things to get better. They need some assistance, and they need it now.

As far as I am concerned, it would be a good fit to have this specific legislation in the economic stimulus package being put together at this time. However, given how far down the road the negotiations over that package are, I doubt if that is possible. If this is indeed the case, I think it is imperative absolutely imperative, that this legislation be passed by both the Senate and the House, and then signed by the President as soon as possible. If we are looking for stability and confidence to be re-established in the United States, small business is a good place to start. It is time to act, and I urge my colleagues on both sides of the aisle to support this bill.

Mr. AKAKA. Mr. President, I am pleased to join my colleagues from Massachusetts, Mr. KERRY, and Missouri, Mr. BOND, as an original cosponsor of the American Small Business Emergency Relief and Protection Act of 2001.

As our Nation grieves for the victims and honors the rescuers, the American people stand with President Bush and support his assurance that our response to this terrible event and our pursuit of justice will be ''calm and resolute.'' The challenge and responsibility we all share in the aftermath of September 11 is to return to work, carry on with business, bolster our economy, and restore public confidence in the freedom of movement which we enjoy.

We have already begun to repair the damage, enhance airline security, strengthen our national security, and fight terrorism. We have acted to support the airline industry in this difficult time. Now, legislation is needed to support small businesses as they face increasing challenges.

It has been twenty-three days since the disaster and millions of workers and small businesses nationwide in a variety of industries have felt the economic aftershock of these events. Hawaii's hospitality industry has been hit particularly hard by the significant decrease in business and leisure travelers who are staying close to home. Airlines are having to adjust to the reduced number of travelers, while hotels are dealing with low occupancy rates due to the cancellation or postponement of planned trips to Hawaii. Since the airports reopened, domestic visitor arrivals in Hawaii have decreased by 31 percent compared to the same time period last year. Comparing international arrivals during the period from September 15–25 for 2000 and 2001, reveals a 65 percent decrease in visitors. Restaurants, hospitality services, shopping centers, and other tourism-related businesses are also being affected by the lack of visitors. The Hawaii Department of Labor and Industrial Relations reports that unemployment claims for the week of September 17 were double the weekly average. It is estimated that 80 percent of these claims are tourism related.

Hawaii is not alone in experiencing a downturn in tourist and business travel. Popular visitor destinations across the country, including Washington, DC, Florida, and Las Vegas have also endured sharp drops in visitors. The losses to airlines, hotels, restaurants, and other small businesses are already in the billions of dollars. The economic repercussions extend to all fifty states, as the economic decline impacts the lives of millions of people.

While I am confident that Hawaii's and our Nation's tourism industry can withstand this downturn in the economy, action is necessary to help preserve existing jobs and support the economy during this difficult time. Further job reductions will have significant spillover effects on the economy.

The legislation is aimed at alleviating the economic strain on small businesses by providing crucial access to credit. By expanding the application eligibility of the Small Business Administration's Disaster Loan programs to event-based instead of location-based criteria, many more struggling companies in all 50 states will be able to obtain the assistance they need. For example, small companies which provide hospitality or travel services would be eligible. Many others in a wide range of industries would be permitted to apply for assistance. The measure would also create incentives for small businesses to utilize the non-disaster relief loan programs. The incentives would encourage wary individuals and companies to borrow and lend to establish and expand small businesses in the current economic environment.

I thank my colleagues from Massachusetts and Missouri for introducing this legislation and ask my colleagues to join in supporting this essential measure to assist small businesses in the aftermath of the heinous attacks of September 11.

By Mr. KYL (for himself and Mr. MILLER):

S. 1500. A bill to amend the Internal Revenue Code of 1986 to provide tax and other incentives to maintain a vibrant travel and tourism industry, to keep working people working, and to stimulate economic growth, and for other purposes; to the Committee on Finance.

Mr. KYL. Mr. President, today I rise to introduce critical legislation that will help restore confidence in our country's ailing travel and tourism industry as well as serve as an immediate stimulus to our economy in general.

As recent economic data have confirmed, our economy was ailing before the terrorist attacks on Tuesday, September, 11, but few were talking about emergency measures to stimulate it. What is different after September 11 is the downward spiral of the economy, led by the travel industry.

Proposals for stimulating the economy have centered on traditional arguments as to whether we should focus more on stimulating business investment, consumer demand, or infrastructure. Eager for a bipartisan approach, members of Congress and President Bush appear agreeable to splitting the difference and doing a little of each. To me, that's a political solution and it ignores the emergency created in the aftermath of September 11.

I believe that we need to rethink what has happened to our economy to arrive at the stimulus legislation that attacks the major problem, and, therefore, will do the most overall good.

Before September 11, our economy was ailing for precisely the reasons Federal Reserve Chairman Alan Greenspan articulated, a lack of business investment. The terrorist attacks have made the general situation worse and caused an absolute emergency in certain sectors of the economy. Although I certainly agree that Congress should stimulate business investment and shore up consumer expectations, for example, by making our recent tax law permanent, cutting capital gains taxes, eliminating corporate AMT and accelerating our outdated cost recovery periods, I contend that our first focus should be directly on the sector hardest hit by these events.

To illustrate my point, an analogy is useful. Our economy had a bad case of the flu before September 11. Reducing interest rates, providing tax relief, and cutting regulatory burdens were all part of the antibiotic medicine needed to get the economy healthy again. During the economy's rehabilitation period, however, it sustained a major trauma. Under these circumstances, what should be a first priority, another dose of flue medication, or treatment applied directly to the gaping wound?

I believe that we must focus an emergency economic stimulus on the sector that has been most harmed: our travel industry. If we are to prevent thousands of bankruptcies, hundreds of thousands of lost jobs, as well as numerous indirect consequences to the

rest of the economy, it is essential that we provide some immediate help to the travel industry.

Accordingly, I am introducing legislation that seeks to treat this emergency economic situation or wound before it spreads an infection throughout the entire economy. Elements of my legislation include: Providing a temporary $500 tax credit per person ($1,000 for a couple filing jointly) for personal travel expenses for travel originating in and within the United States. This will help encourage Americans to resume their normal travel habits. Unlike general rebate checks to taxpayers, a tax credit conditioned on travel expenses ensures that the money is spent on a specific activity, in this case an activity that will generate positive economic ripples throughout the entire American economy. It will also help create confidence and encourage Americans to get back on airplanes.

Since business travel expenses are already deductible, temporarily restoring full deductibility for all business entertainment expenses, including meals, that are now subject to a 50 percent limitation, would help bring back the backbone of the travel industry, the business traveler.

Finally, in order to provide tax relief to those travel-related businesses most hurt by the terrorist attacks, Congress should allow these companies to ''carry back'' their losses incurred after September 11, for a temporary period of three additional years, a total, temporary, ''carry back'' period of five years. This will allow companies that have been profitable until September 11, but then lost money in excess of the past two years' amount of profit, to offset previous years' profit. Without this relief, many companies will go bankrupt, solely due to the terrorist attacks.

To be quick and temporary, the credit should be available for expenses incurred before December 31, 2001. The travel could occur later.

This legislation meets the criteria set forth by President Bush and the chairman of the Finance Committee. By definition, the relief would be temporary. The revenue loss attributable to this legislation for 2001 should occur no later than 2002 and so there would not be a long-term, negative drag on our federal budget. In fact, I believe that it would help ensure a positive, long-term budgetary position by getting America moving and doing business again. As for the need to stimulate consumer spending, providing consumers with incentives to travel is clearly a demand-driven idea. I also contend that it will help stem the retrenchment in business investment that the economy is experiencing in the travel industry and many related industries. Finally, travel is not a partisan issue, it is one of the most bipartisan of all issues.

As Secretary O' Neill said before the Finance Committee on October 3, ''The medicine has to work and be worth the cost.'' Without airline travel, collateral consequences to related industries will be substantial. Of all the competing proposals I can think of, none more directly affects the major cause of the problem in our economy.

So there it is. Our economy has sustained a specific trauma. We need a quick and focused response to this emergency condition. the ''Travel America Now Act'' provides the right medicine for the most acute problem. I urge my colleagues to join me and support this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Travel America Now Act of 2001''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Prior to September 11, 2001, more than 19,000,000 Americans were employed in travel and travel-related jobs, with an estimated annual payroll of $171,500,000,000.

(2) In recent years, the travel and tourism industry has grown to be the third largest industry in the United States as measured by retail sales, with over $582,000,000,000 in expenditures, generating over $99,600,000,000 in Federal, State, and local tax revenues in 2000.

(3) In 2000, the travel and tourism industry created a $14,000,000,000 balance of trade surplus for the United States.

(4) The travel and tourism industry and all levels of government are working together to ensure that, following the horrific terrorist attacks on the World Trade Center and the Pentagon on September 11, 2001, travel is safe and secure, and that confidence among travelers is maintained.

(5) Urgent, short-term measures are necessary to keep working people working and to generate cash flow to assist the travel and tourism industry in its ongoing efforts to retain its economic footing.

(6) Increased consumer spending on travel and tourism is essential to revitalizing the United States economy.

(7) The American public should be encouraged to travel for personal, as well as business, reasons as a means of keeping working people working and generating cash flow that can help stimulate a rebound in the Nation's economy.

SEC. 3. PERSONAL TRAVEL CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new section:

''SEC. 25C. PERSONAL TRAVEL CREDIT.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified personal travel expenses which are paid or incurred by the taxpayer on or after the date of the enactment of this section and before January 1, 2002.

''(b) MAXIMUM CREDIT.—The credit allowed to a taxpayer under subsection (a) for any taxable year shall not exceed $500 ($1,000, in the case of a joint return).

''(c) QUALIFIED PERSONAL TRAVEL EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified personal travel expenses' means reasonable expenses in connection with a qualifying personal trip for—

''(A) travel by aircraft, rail, watercraft, or motor vehicle, and

''(B) lodging while away from home at any commercial lodging facility.

Such term does not include expenses for meals, entertainment, amusement, or recreation.

''(2) QUALIFYING PERSONAL TRIP.—

''(A) IN GENERAL.—The term 'qualifying personal trip' means travel within the United States—

''(i) the farthest destination of which is at least 100 miles from the taxpayer's residence,

''(ii) involves an overnight stay at a commercial lodging facility and

''(iii) which is taken on or after the date of the enactment of this section.

''(B) ONLY PERSONAL TRAVEL INCLUDED.—Such term shall not include travel if, without regard to this section, any expenses in connection with such travel are deductible in connection with a trade or business or activity for the production of income.

''(3) COMMERCIAL LODGING FACILITY.—The term 'commercial lodging facility' includes any hotel, motel, resort, rooming house, or campground.

''(d) SPECIAL RULES.—

''(1) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(2) EXPENSES MUST BE SUBSTANTIATED.—No credit shall be allowed by subsection (a) unless the taxpayer substantiates by adequate records or by sufficient evidence corroborating the taxpayer's own statement the amount of the expenses described in subsection (c)(1).

''(e) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section.''.

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting before the item relating to section 26 the following new item:

''Sec. 25C. Personal travel credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 4. TEMPORARY INCREASE IN DEDUCTION FOR BUSINESS MEALS AND ENTERTAINMENT.

(a) IN GENERAL.—Subsection (n) of section 274 of the Internal Revenue Code of 1986 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by adding at the end the following new paragraph:

''(4) TEMPORARY INCREASE IN LIMITATION.—With respect to any expense or item paid or incurred on or after the date of the enactment of this paragraph and before January 1, 2002, paragraph (1) shall be applied by substituting '100 percent' for '50 percent'.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 5. NET OPERATING LOSS CARRYBACK FOR TRAVEL AND TOURISM INDUSTRY.

(a) IN GENERAL.—Paragraph (1) of section 172(b) of the Internal Revenue Code of 1986

(relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

''(H) TRAVEL AND TOURISM INDUSTRY LOSSES.—In the case of a taxpayer which has a travel or tourism loss (as defined in subsection (j)) for a taxable year that includes any portion of the period beginning on or after September 12, 2001, and ending before January 1, 2002, such travel or tourism loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.''.

(b) SPECIAL RULES FOR TRAVEL AND TOURISM INDUSTRY LOSSES.—Section 172 of the Internal Revenue Code of 1986 (relating to net operating loss deduction) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

''(j) RULES RELATING TO TRAVEL AND TOURISM INDUSTRY LOSSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'travel or tourism loss' means the lesser of—

''(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to the travel or tourism businesses are taken into account, or

''(B) the amount of the net operating loss for such taxable year.

''(2) TRAVEL OR TOURISM BUSINESS.—The term 'travel or tourism business' includes the active conduct of a trade or business directly related to travel or tourism, including—

''(A) the provision of commercial transportation (including rentals) or lodging,

''(B) the operation of airports or other transportation facilities or the provision of services or the sale of merchandise within such facilities,

''(C) the provision of services as a travel agent,

''(D) the operation of convention, trade show, or entertainment facilities, and

''(E) the provision of other services as specified by the Secretary.

''(3) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), a travel or tourism loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

''(4) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.

''(5) RELATED TAXPAYERS.—Under regulations prescribed by the Secretary and at the election of a taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) with respect to a travel or tourism loss, such loss may be credited against the taxable income earned during the 5-year carryback period by any member of a controlled group of corporations (as defined in section 1563(a)) of which the taxpayer is a component or additional member within the meaning of section 1563(b).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending before, on, or after the date of the enactment of this Act.

By Mr. DURBIN (for himself, Mr. TORRICELLI, Ms. MIKULSKI, and Mrs. CLINTON):

S. 1501. A bill to consolidate in a single independent agency in the Executive branch the responsibilities regarding food safety, labeling, and inspection currently divided among several Federal agencies; to the Committee on Government Affairs.

Mr. DURBIN. Mr. President, today I am introducing legislation that would replace the current fragmented Federal food safety system with a single agency responsible for all Federal food safety activities, the Safe Food Act of 2001. I am pleased to be joined by Senators TORRICELLI, MIKULSKI, and CLINTON in this important effort.

Make no mistake, our country has been blessed with one of the safest and most abundant food supplies in the world. However, we can do better. Foodborne illnesses and hazards are still a significant problem that cannot be passively dismissed.

The Centers for Disease Control and Prevention, CDC, estimate that as many as 76 million people will suffer from food poisoning this year. Of those individuals, approximately 325,000 will be hospitalized, and more than 5,000 will die. The Department of Health and Human Services, HHS, also predicts that foodborne illnesses and deaths will increase 10–15 percent over the next decade. With emerging pathogens, an aging population with a growing number of people at high risk for foodborne illnesses, broader distribution patterns, an increasing volume of food imports, and changing consumption patterns, this situation is not likely to improve without decisive action.

Foodborne illnesses are not only a safety concern for our citizens. They are also a costly problem for the Nation. In terms of medical costs and productivity losses, foodborne illness costs the Nation up to $37 billion annually.

American consumers spend more than $617 billion annually on food, of which about $511 billion is spent on foods grown on U.S. farms. Our ability to ensure that our food supply is safe, and to react rapidly to potential threats to food safety is critical not only for public health, but also to the vitality of both domestic and rural economies and international trade.

Many of you have probably followed the stories about the European food crises, dioxin contamination of Belgian food, foot-and-mouth disease in the United Kingdom, and mad cow disease spreading to 13 European countries, as well as to Asia. While these diseases have thankfully not reached the United States, they do cause American consumers concern and remind us that food safety fears are global.

Today, food moves through a global marketplace. This was not the case in the early 1900s when the first Federal food safety agencies were created. Throughout this century, Congress responded by adding layer upon layer, agency upon agency, to answer the pressing food safety needs of the day. That's how the Federal food safety system got to the point where it is today. And again as we face increasing pressures on food safety, the Federal Government must respond. But we must respond not only to these pressures but also to the highly fragmented nature of the Federal food safety structure.

Fragmentation of our food safety system is a burden that must be changed to protect the public health from these increasing pressures. Currently, there are at least 12 different Federal agencies and 35 different laws governing food safety. With overlapping jurisdictions, Federal agencies often lack accountability on food safety-related issues.

The General Accounting Office, GAO, has also been unequivocal in its recommendation for consolidation of Federal food safety programs. Over the past two years, GAO has issued numerous reports on topics such as food recalls, food safety inspections, and the transport of animal feeds. Each of these reports highlight the current fragmentation and inconsistent organization of the various agencies involved in food safety oversight. In August 1999, GAO testified that a ''single independent food safety agency administering a unified, risk-based food safety system is the preferred approach . . .'' to food safety oversight. Also, in a May 25, 1994 report, GAO cites that its testimony in support of a unified, risk-based food safety system ''is based on over 60 reports and studies issued over the last 25 years by GAO, agency Inspectors General, and others.'' The Appendix to the 1994 GAO report lists 49 reports since 1977, 9 USDA Office of Inspector General reports since 1986, 1 HHS Office of Inspector General report in 1991, and 15 reports and studies by Congress, scientific organizations, and others since 1981.

The National Academy of Sciences, NAS, has also concluded that the current fragmented food safety system is less than adequate to meet America's food safety needs. In August 1998, the NAS released a report recommending the establishment of a ''unified and central framework'' for managing Federal food safety programs. They instructed that the unified system should be ''one that is headed by a single official and which has the responsibility and control of resources for all Federal food safety activities.''

I agree with the recommendations of both the GAO and the NAS. A single food safety agency is needed to replace the current, fragmented system. My proposed legislation would combine the functions of USDA's Food Safety and Inspection Service, FDA's Center for Food Safety and Applied Nutrition and the Center for Veterinary Medicine, the Department of Commerce's Seafood Inspection Program, and the food safety functions of other Federal agencies. This agency would be funded with the combined budgets from these consolidated agencies.

Following the events of September 11, we are more keenly focused on how varied aspects of America's homeland

security, including our Nation's food supply, may be vulnerable to attack. Our Federal food safety system must be able to prevent potential food hazards from reaching the public. A single food safety agency will help ensure that we have a cohesive process to address all ongoing and emerging threats to food safety.

With overlapping jurisdictions, Federal agencies many times lack accountability on food safety-related issues. There are simply too many cooks in the kitchen. A single agency would help focus our policy and improve enforcement of food safety and inspection laws.

Over 20 years ago, the Senate Committee on Governmental Affairs advised that consolidation is essential to avoid conflicts of interest and overlapping jurisdictions. This 1977 report stated, ''While we support the recent efforts of FDA and USDA to improve coordination between the agencies, periodic meetings will not be enough to overcome [these] problems.''

It's time to move forward. Let's stop discussing the need to consolidate and instead take steps to make consolidation happen. Let us create what only makes sense, a single food safety agency!

A single agency with uniform food safety standards and regulations based on food hazards would provide an easier framework for implementing U.S. standards in an international context. When our own agencies don't have uniform safety and inspection standards for all potentially hazardous foods, the establishment of uniform international standards will be next to impossible.

Research could be better coordinated within a single agency than among multiple programs. Currently, Federal funding for food safety research is spread over at least 20 Federal agencies, and coordination among those agencies is ad hoc at best.

New technologies to improve food safety could be approved more rapidly with one food safety agency. Currently, food safety technologies must go through multiple agencies for approval, often adding years of delay.

Food recalls are on the rise. In fact, at the end of August 2001, FSIS reported that there have been over fifty recalls of meat and poultry products throughout the Nation this year alone. Under these serious circumstances, it is important to move beyond short-term solutions to major food safety problems. A single food safety and inspection agency could more easily work toward long-term solutions to the frustrating and potentially life-threatening issue of food safety.

In this era of limited budgets, it is our responsibility to modernize and streamline the food safety system. The U.S. simply cannot afford to continue operating multiple systems. This is not about more regulation, a super agency, or increased bureaucracy. It is about common sense and more effective marshaling of our existing Federal resources.

Together, we can bring the various agencies together to eliminate the overlap and confusion that have, unfortunately, at times characterized our food safety efforts. We need action, not simply reaction. I encourage my colleagues to join me in this effort to consolidate the food safety and inspection functions of numerous agencies and offices into a single food safety agency.

By Mr. JEFFORDS (for himself, Mrs. LINCOLN, Mr. CHAFEE, Mr. BAYH, and Ms. SNOWE):

S. 1502. A bill to amend the internal Revenue Code of 1986 to allow a refundable tax credit for health insurance costs for COBRA continuation coverage, and for other purposes; to the Committee on Finance.

Mr. JEFFORD. Mr. President, as President Bush said yesterday, regarding the need for an economic stimulus package: ''one person laid off is one person too many.'' I strongly agree. Today, I'm pleased to join with Senator LINCOLN and my other colleagues in introducing the COBRA Plus Act of 2001. This legislation will help those who've lost their jobs in the aftermath of the terrorist acts of September 11 keep health insurance coverage for themselves and their families as they seek new employment.

As we in Congress work with the administration to develop an economic stimulus package, it needs to reflect the three themes spelled out by Secretary O'Neill. The package must restore consumer confidence. For with the restoration of confidence, the American people will again begin buying our Nation's goods and services. We must also support increased business investment. Business investment is what creates new jobs and is the engine of our economy. And finally, and I think most importantly, we must help those individual Americans who lost their jobs as a consequence of the terrorist bombings of September 11.

COBRA provides an existing mechanism to allow these laid-off workers the opportunity to keep their health insurance while they seek new employment. Under COBRA, an employer with 20 or more employees must provide those employees and their families the option of continuing their coverage under the employer's group health insurance plan in the case of losing their job. The employer is not required to pay for this coverage; instead, the individual can be required to pay up to 102 percent of the premium.

For all of its strengths, COBRA has some significant deficiencies. While it allows those who've lost their job to keep their health insurance coverage, it requires them to pay the entire premium at a time when they have no income. The high cost of COBRA is the major reason cited for the fact that only 18 percent of eligible enrollees utilize their coverage option. The COBRA Plus Act of 2001 solves this problem. It provides a 50-percent subsidy for the individual's health insurance premium, not to exceed a total of $110 per month for single coverage and $290 per month for family coverage. This subsidy would be a refundable tax credit, which means it is available regardless of one's tax liability, and the credit could be advanced directly on a monthly basis to the individual's employer or health insurance plan.

The credit would be available for a period not to exceed 9 months and the credit must be used to purchase COBRA coverage. The credit would be available for 2 years beginning January 1, 2002 and it would sunset on December 31, 2003. While the Joint Committee on Taxation has not released a cost estimate, rough informal estimates are that the legislation will cost between $3.3 billion and $5 billion per year and it would more than double the number of individuals utilizing COBRA at any one time from the current level of $2.5 million to $6 million.

Vermont's motto of ''Freedom and Unity'' captures the sense of individual responsibility and shared community that are the twin goals of the COBRA Plus Act of 2001. First, by giving unemployed workers access to additional financial resources, it will significantly increase the number of Americans who take advantage of COBRA's health insurance coverage option. And second, by relying on the tax code, the credit will go directly to individuals and eliminate the need to create a new Federal program.

In my home State of Vermont, as is the case across the country, these recent events have put the security of a well-paid job with health insurance coverage at risk. It is important that we here in Congress help to restore confidence in the fundamental strength of our Nation's economy. Americans should know that they will still have productive jobs with health insurance coverage for their families now and into the future. I believe that the enactment of this legislation will be an important strand in strengthening the fabric of our society as we move forward in addressing the terrible acts of September 11.

Mr. CHAFEE. Mr. President, I am pleased to join Senators JEFFORDS, LINCOLN, SNOWE, and BAYH today in introducing the COBRA Plus Act of 2001.

The COBRA Plus Act of 2001 will provide a tax credit to help offset the costs of COBRA health insurance for unemployed workers. This is particularly important due to the challenges that our economy faces and the number of individuals who have lost or will lose their jobs as a result of the terrorist attacks on September 11. Specifically, this bill will help unemployed individuals keep their health insurance coverage by subsidizing their COBRA premiums through an individual tax credit.

According to the Congressional Research Service, it is estimated that 4.7 million Americans are enrolled in

COBRA health plans at any given moment. With average annual COBRA insurance costing over $6,000, many individuals opt not to participate and therefore join the ranks of the 39 million uninsured in this country. A recent survey indicated that less than 20 percent of those eligible for COBRA insurance actually took advantage of the insurance. Without a premium subsidy such as the one offered in this bill, COBRA insurance is cost-prohibitive. The goal of this legislation is to decrease the number of uninsured individuals by providing an incentive to use COBRA insurance. This legislation will hopefully increase the number of COBRA users to at least six million.

While I am deeply saddened by the events that led to the introduction of this bill, I am heartened that we are able to provide a way for individuals to retain their health insurance.

I commend Senator JEFFORDS for his leadership on this issue, and am hopeful that it will get signed into law in the near future to assist our nation's displaced workers.

By Mr. ROCKFELLER (for himself, Mr. DEWINE, Mr. LEVIN, Mr. CRAIG, and Mr. GRAHAM):

S. 1503. A bill to extend and amend the Promoting Safe and Stable Families Program under subpart 2 of part B of title IV of the Social Security Act, to provide the Secretary of Health and Human Services with new authority to support programs mentoring children of incarcerated parents to amend the Foster Care Independent Living Program under part E of title IV of the Social Security Act to provide for educational and training vouchers for youths aging out of foster care, and for other purposes; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, I am proud to join with Senators DEWINE LANDRIEU, SNOWE, BREAUX, BOND, and LEVIN to introduce bipartisan legislation which includes President Bush's initiative to reauthorize and increase funding for the Promoting Safe and Stable Families Program. The President's initiative increases funding to help abused and neglected children by $200 million. He knows this group of vulnerable children deserves our attention, even in this most challenging of times in American history. These children face their own form of terror in their own homes, at the hands of their own parents. It is a horrible circumstance that we know something about how to address—and address it we must.

Our legislation also includes the President's initiative to start a new program to provide mentoring services to the more than 2 million children whose parents are in prison. These children are at high-risk and they too, deserve our support.

This bill includes the President's initiative to provide $5,000 in education vouchers to teens who age out of foster care so they have incentives to continue their education. This final program suggested by President Bush means a great deal to me because in 1999, I worked closely with the late Senator John Chafee to develop a new program to help teenagers from the foster care system. Senator Chafee passed away that fall, but I was proud to work with a bipartisan group to enact the foster care legislation that meant so much to him. It is one important piece of Senator John Chafee's remarkable legacy of leadership for children and families.

Senator DEWINE and I added a small, but important provision to help adoption agencies, like Catholic Charities and others, finding permanent homes for children with special needs. On January 23, 2001, the U.S. Department of Health and Human Services issued a new policy announcement which changed current practice for children with special needs. We need a legislative clarification to ensure that children with special needs who are voluntarily relinquished to private, nonprofit adoption agencies can still receive the adoption assistance they need and deserve.

In the Senate, there is a long, strong tradition of bipartisanship on child welfare issues. Over recent years we have made real progress. In 1993, working with Senator BOND and others we created a new program to invest in prevention and treatment. In 1997, another bipartisan group worked long and hard on the Adoption and Safe Families Act. This act significantly revised child welfare policy. It said for the first time in Federal law that a child's safety and health are paramount, and every child deserve a safe, permanent home. In this act, thanks to the leadership of Senator DEWINE we clarified ''reasonable efforts'' to focus more concern and attention on the needs of the child.

The Promoting Safe and Stable Families Act was part of that historic agreement, and it must be reauthorized this year or we will lose the funding that exists in the budget baseline, and, more importantly, children and families will lose needed services and support. The Safe and Stable Families Program provides a range of services including promoting adoptions and post-adoption support, family support to avoid placements and neglect, family preservation, and time-limited reunification for children who return home from foster care. Each is a necessary piece. This program is one of the major funding resources for adoption.

Almost daily and far too often we read tragic stories about abuse and neglect in our newspapers. Such reports are disturbing and disheartening. But the untold story is the progress that is being made thanks to new policy and new investments which is why I believe so strongly that we must continue those investments and progress by enacting the President's initiative.

In 1996, 28,000 children were adopted from the foster care system. In 2000, nearly 50,000 were adopted from foster care.

I am proud to report that my State of West Virginia is one of many States that is increasing the number of adoptions. But almost 100,000 children nationwide are still waiting for adoption which is why the increase in Safe and Stable Families is crucial. With the $200 million increase included in our legislation, we will make the commitment to invest a minimum of $100 million in adoption promotion and the adoption support.

Victimization rates are slowly declining. In 1993, the children victimization rate was 15.3 per 1,000 children. In 1999, the child victimization rate was 11.8 per 1,000 children. The 1999 rate is the lowest rate since we started collecting this data in 1990.

In some States within a year or two, there will be more children receiving adoption assistance and subsidized guardianship payments than in the foster care system, and that is a major shift and historic progress towards the fundamental goal of permanency for vulnerable children.

These are encouraging trends, but there are still 581,000l children in foster care and about one million substantiated cases of abuse or neglect each year. We are making progress, but we should and must do more for the most vulnerable children in our country.

Since September 11, 2001, our world has changed. We face new challenges for recovery, national security and combating terrorism. We must focus on this immediate threat, but we also must remember those vulnerable children who are at risk of abuse and neglect in their own homes. The Senate has a long tradition of working hard, and doing the right thing, usually as one of the last orders of business to help such children. I urge my colleagues to join me in supporting President Bush's initiative. Delivering on this promise truly will help ensure that no children is left behind as the President eloquently insisted in his campaign and in his State of the Union address.

Remembering our commitment to vulnerable children is one clear way to emphasize how our country is unique and strong. In the midst of challenge and terror, we should remember our youngest victims, too. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1503

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES IN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Promoting Safe and Stable Families Amendments Act of 2001''.

(b) REFERENCES IN ACT.—Except as otherwise specifically provided, whenever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—PROMOTING SAFE AND STABLE FAMILIES

Subtitle A—Grants to States for Promoting Safe and Stable Families

SEC. 101. FINDINGS AND PURPOSE.

Section 430 (42 U.S.C. 629) is amended to read as follows:

''SEC. 430. FINDINGS AND PURPOSE.

''(a) FINDINGS.—Congress finds that there is a continuing urgent need to protect children and to strengthen families as demonstrated by the following:

''(1) Family support programs directed at specific vulnerable populations have had positive effects on parents and children. The vulnerable populations for which programs have been shown to be effective include teenage mothers with very young children and families that have children with special needs.

''(2) Family preservation programs have been shown to provide extensive and intensive services to families in crisis.

''(3) The time lines established by the Adoption and Safe Families Act of 1997 have made the prompt availability of services to address family problems (and in particular the prompt availability of appropriate services and treatment addressing substance abuse) an important factor in successful family reunification.

''(4) The rapid increases in the annual number of adoptions since the enactment of the Adoption and Safe Families Act of 1997 have created a growing need for post-adoption services and for service providers with the particular knowledge and skills required to address the unique issues adoptive families and children may face.

''(b) PURPOSE.—The purpose of this program is to enable States to develop and establish, or expand, and to operate coordinated programs of community-based family support services, family preservation services, time-limited family reunification services, and adoption promotion and support services to accomplish the following objectives:

''(1) To prevent child maltreatment among families at risk through the provision of supportive family services.

''(2) To assure children's safety within the home and preserve intact families in which children have been maltreated, when the family's problems can be addressed effectively.

''(3) To address the problems of families whose children have been placed in foster care so that reunification may occur in a safe and stable manner in accordance with the requirements of the Adoption and Safe Families Act of 1997.

''(4) To support adoptive families by providing support services as necessary so that the families can make a lifetime commitment to their children.''.

SEC. 102. DEFINITION OF FAMILY SUPPORT SERVICES.

Section 431(a)(2) (42 U.S.C. 629a(a)(2)) is amended by inserting ''to strengthen parental relationships and promote healthy marriages,'' after ''environment,''.

SEC. 103. REALLOTMENTS.

Section 433 (42 U.S.C. 629c) is amended by adding at the end the following new subsection:

''(d) REALLOTMENTS.—The amount of any allotment to a State under this section for any fiscal year that the State certifies to the Secretary will not be required for carrying out the State plan under section 432 shall be available for reallotment for such fiscal year using the allotment methodology specified in this section. Any amount so reallotted to a State shall be deemed part of that State's allotment under this section for that fiscal year.''.

SEC. 104. PAYMENTS TO STATES.

(a) IN GENERAL.—Section 434(a) (42 U.S.C. 629d(a)) is amended—

(1) by striking paragraph (2);

(2) by striking all that precedes subparagraph (A) and inserting the following:

''(a) ENTITLEMENT.—Each State that has a plan approved under section 432 shall be entitled to payment of the lesser of—''; and

(3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and by adjusting the left margins accordingly.

(b) CONFORMING AMENDMENTS.—Section 434(b) (42 U.S.C. 629d(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''paragraph (1) or (2)(B) of''; and

(B) by striking ''described in this subpart'' and inserting ''under the State plan under section 432''; and

(2) in paragraph (2), by striking ''subsection (a)(1)'' and inserting ''subsection (a)''.

SEC. 105. EVALUATIONS.

Section 435 (42 U.S.C. 629e) is amended—

(1) in the heading, by inserting ''**; research; technical assistance**'' before the period; and

(2) by adding at the end the following new subsections:

''(c) RESEARCH.—The Secretary shall give priority consideration to the following topics for research and evaluation under this subsection, using rigorous evaluation methodologies where feasible:

''(1) Promising program models in the service categories specified in section 430(b), particularly time-limited reunification services and post-adoption services.

''(2) Multidisciplinary service models designed to address parental substance abuse and to reduce the impact of such abuse on children.

''(3) The efficacy of approaches directed at families with specific problems and with children of specific age ranges.

''(4) The outcomes of adoptions finalized after enactment of the Adoption and Safe Families Act of 1997.

''(d) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance that helps States to—

''(1) identify families with specific risk characteristics for intervention;

''(2) develop treatment models that address the needs of families at risk, particularly families with substance abuse issues;

''(3) implement programs with well articulated theories of how the intervention will result in desired changes among families at risk;

''(4) establish mechanisms to ensure that service provision matches the treatment model; and

''(5) establish mechanisms to ensure that post-adoption services meet the needs of the individual families and develop models to reduce the disruption rates of adoption.''.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS; RESERVATION OF CERTAIN AMOUNTS.

(a) IN GENERAL.—Subpart 2 of part B of title IV (42 U.S.C. 629 et seq.) is amended by adding at the end the following new section:

''SEC. 436. AUTHORIZATION OF APPROPRIATIONS; RESERVATION OF CERTAIN AMOUNTS.

''(a) AUTHORIZATION.—There are authorized to be appropriated to carry out the provisions of this subpart (other than section 438) $505,000,000 for each of fiscal years 2002 through 2006.

''(b) RESERVATION OF CERTAIN AMOUNTS.—From the amount specified for each fiscal year under subsection (a), the Secretary shall reserve amounts for use as follows:

''(1) EVALUATION, RESEARCH, TRAINING, AND TECHNICAL ASSISTANCE.—The Secretary shall reserve $15,000,000 for fiscal year 2002, and $20,000,000 for each of fiscal years 2003 through 2006, for expenditure by the Secretary—

''(A) for research, training, and technical assistance costs related to the program under this subpart (other than section 438), including expenditures for research of not less than $9,000,000 for fiscal year 2002, and not less than $14,000,000 for each of fiscal years 2003 through 2006; and

''(B) for evaluation of State programs based on the plans approved under section 432 and funded under this subpart, and any other Federal, State, or local program, regardless of whether federally assisted, that is designed to achieve the same purposes as such State programs.

''(2) STATE COURT IMPROVEMENTS.—The Secretary shall reserve $20,000,000 for grants under section 437.

''(3) INDIAN TRIBES.—The Secretary shall reserve 2 percent for allotment to Indian tribes in accordance with section 433(a).''.

(b) CONFORMING AMENDMENTS.—Section 433 is amended—

(1) in subsection (a), by striking ''section 430(d)(3)'' and inserting ''section 436(b)(3)'';

(2) in subsection (b)—

(A) by striking ''section 430(b)'' and inserting ''section 436(a)''; and

(B) by striking ''section 430(d)'' and inserting ''section 436(b)''; and

(3) in subsection (c)—

(A) by striking ''section 430(b)'' and inserting ''section 436(a)''; and

(B) by striking ''section 430(d)'' and inserting ''section 436(b)''.

SEC. 107. STATE COURT IMPROVEMENTS.

(a) RELOCATION AND REDESIGNATION.—

(1) IN GENERAL.—Section 13712 of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 670 note) is relocated and redesignated as section 437 of the Social Security Act.

(2) CONFORMING AMENDMENTS.—Section 437, as relocated and redesignated under paragraph (1), is amended—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking ''of title IV of the Social Security Act''; and

(ii) in paragraph (1)(A), by striking ''of title IV of such Act''; and

(B) in subsection (c)(2), by striking ''section 430(d)(2) of the Social Security Act'' and inserting ''section 436(b)(2)''.

(b) SCOPE OF ACTIVITIES.—

(1) Section 437(a)(2) (as so relocated and redesignated) is amended—

(A) by striking ''changes'' and inserting ''improvements''; and

(B) by inserting before the period ''in order to promote more timely court actions that provide for the safety of children in foster care and expedite the placement of such children in appropriate permanent settings''.

(2) Section 437(c)(1) (as so relocated and redesignated) is amended in the matter preceding subparagraph (A) by inserting ''and improvement'' after ''assessment''.

(c) ALLOTMENTS.—Section 437(c)(1) (as so relocated and redesignated) is amended by striking all that follows ''shall be entitled to payment,'' and inserting ''for each of fiscal years 2002 through 2006, from amounts reserved pursuant to section 436(b)(2), of an amount equal to the sum of $85,000 plus the amount described in paragraph (2) for such fiscal year.''.

(d) FEDERAL SHARE.—Section 437(d) (as so relocated and redesignated) is amended—

(1) by striking the heading and inserting ''FEDERAL SHARE.—''; and

(2) by striking ''to pay—'' and all that follows and inserting ''to pay not more than 75 percent of the cost of activities under this section in each of fiscal years 2002 through 2006.''.

Subtitle B—Mentoring Children of Incarcerated Parents

SEC. 121. GRANTS FOR PROGRAMS FOR MENTORING CHILDREN OF INCARCERATED PARENTS.

Subpart 2 of part B of title IV (42 U.S.C. 629 et seq.), as amended by sections 106 and 107, is amended by adding at the end the following new section:

''SEC. 438. GRANTS FOR PROGRAMS FOR MENTORING CHILDREN OF INCARCERATED PARENTS.

''(a) FINDINGS AND PURPOSE.—

''(1) FINDINGS.—Congress makes the following findings:

''(A) In the period between 1991 and 1999, the number of children with a parent incarcerated in a Federal or State correctional facility increased by more than 100 percent, from approximately 900,000 to approximately 2,000,000. In 1999, 2.1 percent of all children in the United States had a parent in a Federal or State correctional facility.

''(B) Prior to incarceration, 64 percent of female prisoners and 44 percent of male prisoners in State facilities lived with their children.

''(C) Nearly 90 percent of the children of incarcerated fathers live with their mothers, and 79 percent of the children of incarcerated mothers live with a grandparent or other relative. Only 10 percent of incarcerated mothers and 2 percent of incarcerated fathers in State facilities report that their child or children are in foster care.

''(D) Parental arrest and confinement lead to stress, trauma, stigmatization, and separation problems for children. These problems are coupled with existing problems that include poverty, violence, parental substance abuse, high-crime environments, intrafamilial abuse, child abuse and neglect, multiple care givers, or prior separations. As a result, children of an incarcerated parent often exhibit a broad variety of behavioral, emotional, health, and educational problems that are often compounded by the pain of separation.

''(E) Empirical research demonstrates that mentoring is a potent force for improving children's behavior across all risk behaviors affecting health. Quality, one-on-one relationships that provide young people with caring role models for future success have profound, life-changing potential. Done right, mentoring markedly advances youths' life prospects. A widely cited 1995 study by Public/Private Ventures measured the impact of one Big Brothers Big Sisters program and found significant effects in the lives of youth—cutting first-time drug use by almost half and first-time alcohol use by about a third, reducing school absenteeism by half, cutting assaultive behavior by a third, improving parental and peer relationships, giving youth greater confidence in their school work, and improving academic performance.

''(2) PURPOSE.—The purpose of this section is to authorize the Secretary to make competitive grants to local governments in areas with substantial numbers of children of incarcerated parents to support the establishment or expansion and operation of programs using a network of public and private community entities to provide mentoring services for children of incarcerated parents.

''(b) DEFINITIONS.—In this section:

''(1) CHILDREN OF INCARCERATED PARENTS.—The term 'children of incarcerated parents' means a child, 1 or both of whose parents are incarcerated in a Federal or State correctional facility. Such term shall be deemed to include any child who is in an ongoing mentoring relationship in a program under this section at the time of the release of the child's parent or parents from a correctional facility, for purposes of continued participation in the program.

''(2) MENTORING.—The term 'mentoring' means a structured, managed program in which children are appropriately matched with screened and trained adult volunteers for one-on-one relationships, involving meetings and activities on a regular basis, intended to meet, in part, the child's need for involvement with a caring and supportive adult who provides a positive role model.

''(3) MENTORING SERVICES.—The term 'mentoring services' means those services and activities that support a structured, managed program of mentoring, including the management by trained personnel of outreach to, and screening of, eligible children; outreach to, education and training of, and liaison with sponsoring local organizations; screening and training of adult volunteers; matching of children with suitable adult volunteer mentors; support and oversight of the mentoring relationship; and establishment of goals and evaluation of outcomes for mentored children.

''(c) PROGRAM AUTHORIZED.—From the amount appropriated under subsection (g) for a fiscal year that remains after the application of subsection (g)(2), the Secretary shall make grants under this section for each of fiscal years 2002 through 2006 to local governments in areas that have significant numbers of children of incarcerated parents and that submit applications meeting the requirements of this section, including—

''(1) two-thirds of such amount in grants in amounts of up to $5,000,000 each; and

''(2) one-third of such amount in grants in amounts of up to $10,000,000 each.

''(d) APPLICATION REQUIREMENTS.—In order to be eligible for a grant under this section, the mayor or other chief executive officer of a city, council of governments, or other unit of local government shall submit to the Secretary an application containing the following:

''(1) PROGRAM DESIGN.—A description of the proposed local program, including—

''(A) a list of local public and private organizations and entities that will participate in the mentoring network;

''(B) the name, description, and qualifications of the entity that will coordinate and oversee the activities of the mentoring network;

''(C) the number of mentor-child matches proposed to be established and maintained annually under the program;

''(D) such information as the Secretary may require concerning the methods to be used to recruit, screen support, and oversee individuals participating as mentors (which methods shall include criminal background checks on such individuals), and to evaluate outcomes for participating children, including information necessary to demonstrate compliance with requirements established by the Secretary for the program; and

''(E) such other information as the Secretary may require.

''(2) COMMUNITY CONSULTATION; COORDINATION WITH OTHER PROGRAMS.—A demonstration that, in developing and implementing the program, the local government will, to the extent feasible and appropriate—

''(A) consult with public and private community entities, including religious organizations, and including, as appropriate, Indian tribal organizations and urban Indian organizations, and with family members of potential clients;

''(B) coordinate the programs and activities under the program with other Federal, State, and local programs serving children and youth; and

''(C) consult with appropriate Federal, State, and local corrections, workforce development, and substance abuse and mental health agencies.

''(3) EQUAL ACCESS FOR LOCAL SERVICE PROVIDERS.—An assurance that public and private entities and community organizations, including religious organizations and Indian organizations, will be eligible to participate in the program on an equal basis.

''(4) SUPPLEMENTATION ASSURANCE.—An assurance that Federal funds provided to the local government under this section will not be used to supplant Federal or non-Federal funds for existing services and activities that promote the purpose of this section.

''(5) BIENNIAL PROGRAM REPORT.—An agreement that the local government will submit to the Secretary, after the second year of funding of a program under this section and every second year thereafter, a report containing the following:

''(A) A description of the grant requirements used by the local government to award grant funds.

''(B) The measurable goals and outcomes expected by the programs receiving assistance under the local government program (and in later reports, the extent to which such goals and outcomes were achieved).

''(C) A description of the services provided by programs receiving assistance under the local government program.

''(D) The number of children and families served.

''(E) Such other such information as the Secretary may require.

''(6) RECORDS, REPORTS, AND AUDITS.—An agreement that the local government will maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

''(7) EVALUATION.—An agreement that the local government will cooperate fully with the Secretary's ongoing and final evaluation of the program under the plan, by means including providing the Secretary with access to the program and program-related records

and documents, staff, and grantees receiving funding under the plan.

''(8) EXTENT OF LOCAL-STATE COOPERATION.—A statement as to whether, and the extent to which, the State government has undertaken to provide support to and to cooperate with the local program.

''(e) FEDERAL SHARE.—

''(1) IN GENERAL.—A grant for a program under this section shall be available to pay a percentage share of the costs of the program up to—

''(A) 80 percent for the first fiscal year for which the grant is awarded;

''(B) 60 percent for the second such fiscal year;

''(C) 40 percent for the third such fiscal year; and

''(D) 20 percent for each succeeding fiscal year.

''(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of projects under this section may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

''(f) CONSIDERATIONS IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall take into consideration—

''(1) the experience, qualifications, and capacity of local governments and networks of organizations to effectively carry out a mentoring program under this section;

''(2) the comparative severity of need for mentoring services in given local areas, taking into consideration data on the numbers of children (and in particular of low-income children) with an incarcerated parent (or parents) in such areas;

''(3) whether, and the extent to which, the State government has undertaken to support and cooperate with the local mentoring program;

''(4) evidence of consultation with existing youth and family service programs, as appropriate; and

''(5) any other factors the Secretary may deem significant with respect to the need for or the potential success of carrying out a mentoring program under this section.

''(g) AUTHORIZATION OF APPROPRIATIONS; RESERVATION OF CERTAIN AMOUNTS.—

''(1) AUTHORIZATION.—There are authorized to be appropriated to carry out this section—

''(A) $67,000,000 for fiscal year 2002; and

''(B) such sums as may be necessary for each of fiscal years 2003 through 2006.

''(2) RESERVATION.—The Secretary shall reserve 2.5 percent of the amount appropriated for each fiscal year under paragraph (1) for expenditure by the Secretary for research, technical assistance, and evaluation related to programs carried out under this section.''.

TITLE II—FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING

SEC. 201. ELIMINATION OF OPT-OUT PROVISION FOR STATE REQUIREMENT TO CONDUCT CRIMINAL BACKGROUND CHECK ON PROSPECTIVE FOSTER OR ADOPTIVE PARENTS.

Section 471(a)(20) (42 U.S.C. 671(a)(20) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) by striking ''(A) unless an election provided for in subparagraph (B) is made with respect to the State,'';

(3) by striking subparagraph (B);

(4) by striking ''(i)'' and inserting ''(A)''; and

(5) by striking ''(ii)'' and inserting ''(B)''.

SEC. 202. ELIGIBILITY FOR ADOPTION ASSISTANCE PAYMENT OF SPECIAL NEEDS CHILDREN VOLUNTARILY RELINQUISHED TO PRIVATE NONPROFIT AGENCIES.

Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended—

(1) in subparagraph (A)(i), by striking ''either pursuant'' and all that follows through ''July 16, 1996))'' and inserting ''pursuant to a voluntary relinquishment to, or a voluntary placement agreement with, a public or nonprofit private agency,''; and

(2) in subparagraph (B)(i), by striking ''agreement was entered into'' and inserting ''relinquishment occurred, agreement was entered into,''.

SEC. 203. EDUCATIONAL AND TRAINING VOUCHERS FOR YOUTHS AGING OUT OF FOSTER CARE.

(a) PURPOSE.—Section 477(a) (42 U.S.C. 677(a)) is amended—

(1) by striking ''and'' at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(6) to make available vouchers for education and training, including postsecondary training and education, to youths who have aged out of foster care.''.

(b) EDUCATIONAL AND TRAINING VOUCHERS.—Section 477 (42 U.S.C. 677) is amended by adding at the end the following new subsection:

''(i) EDUCATIONAL AND TRAINING VOUCHERS.—The following conditions shall apply to a State educational and training voucher program under this section:

''(1) Vouchers under the program shall be available to youths otherwise eligible for services under the State program under this section.

''(2) For purposes of the voucher program, youths adopted from foster care after attaining age 16 shall be considered to be youths otherwise eligible for services under the State program under this section.

''(3) A youth participating in the voucher program on the date the youth attains age 21 shall remain eligible until the youth attains age 23, as long as the youth is enrolled in a full-time postsecondary education or training program and is making satisfactory progress toward completion of that program.

''(4) The voucher or vouchers provided for an individual under this section—

''(A) shall be available for the cost of attendance at an institution of higher education, as defined in section 102 of the Higher Education Act of 1965; and

''(B) shall not exceed the lesser of $5,000 per year or the total cost of attendance, as defined in section 472 of that Act.

''(5)(A) Subject to subparagraphs (B) and (C), the amount of a voucher under this section shall be disregarded for purposes of determining the recipient's eligibility for, or the amount of, any other Federal or federally supported assistance.

''(B) The total amount of educational assistance to a youth under this section and under other Federal and federally supported programs shall not exceed the total cost of attendance, as defined in section 472 of the Higher Education Act of 1965.

''(C) The State agency shall take appropriate steps to prevent duplication of benefits under this and other Federal or federally supported programs.

''(6) The program shall be coordinated with other appropriate education and training programs.''.

(c) CERTIFICATION.—Section 477(b)(3) (42 U.S.C. 677(b)(3)) is amended by adding at the end the following new subparagraph:

''(J) A certification by the chief executive officer of the State that the State educational and training voucher program under this section is in compliance with the conditions specified in subsection (i), including a statement describing methods the State will use—

''(i) to ensure that the total amount of educational assistance to a youth under this section and under other Federal and federally supported programs does not exceed the limitation specified in subsection (i)(5)(B); and

''(ii) to avoid duplication of benefits under this and any other Federal or federally supported benefit program in accordance with subsection (i)(5)(C).''.

(d) INCREASED AUTHORIZATIONS OF APPROPRIATIONS.—Section 477(h) (42 U.S.C. 677(h)) is amended by striking ''there are authorized'' and all that follows and inserting the following: ''there are authorized to be appropriated to the Secretary for each fiscal year—

''(1) $140,000,000, which shall be available for all purposes under this section; and

''(2) an additional $60,000,000, which shall be available for payments to States for education and training vouchers for youths who age out of foster care, to assist such youths to develop skills necessary to lead independent and productive lives.''.

(e) ALLOTMENTS TO STATES.—Section 477(c) (42 U.S.C. 677(c)) is amended—

(1) in paragraph (1)—

(A) by striking ''(1) IN GENERAL.—From the amount specified in subsection (h)'' and inserting ''(1) GENERAL PROGRAM ALLOTMENT.—From the amount specified in subsection (h)(1)''; and

(B) by striking ''which bears the same ratio and all that follows through the period'' and inserting ''which bears the ratio equal to the State foster care ratio, as adjusted in accordance with paragraph (2).''; and

(2) by adding at the end the following new paragraphs:

''(3) VOUCHER PROGRAM ALLOTMENT.—From the amount specified in subsection (h)(2) for a fiscal year, the Secretary shall allot to each State with an application approved under subsection (b) for the fiscal year the amount that bears the ratio to such amount equal to the State foster care ratio.

''(4) STATE FOSTER CARE RATIO.—In this subsection, the term 'State foster care ratio' means the ratio of the number of children in foster care in the State in the most recent fiscal year for which such information is available to the total number of children in foster care in all States for such most recent fiscal year.''.

(f) PAYMENTS TO STATES.—Section 474(a)(4) (42 U.S.C. 674(a)(4)) is amended to read as follows:

''(4) an amount equal to—

''(A) with respect to amounts for expenditures in accordance with the State application approved under section 477(b) (including any amounts expended in accordance with an amendment that meets the requirements of section 477(b)(5)), the sum of—

''(i) the lesser of—

''(I) 80 percent of the amounts expended by the State during the quarter to carry out programs for the purposes described in subsection (h)(1); or

''(II) the amount allotted to the State under section 477(c)(1) for the fiscal year in which the quarter occurs, reduced by the total of the amounts payable to the State under this paragraph for such purposes for all prior quarters in the fiscal year; and

''(ii) the lesser of—

''(I) 80 percent of the amounts expended by the State during the quarter to carry out programs for the purposes described in subsection (h)(2); or

''(II) the amount allotted to the State under section 477(c)(3) for the fiscal year in which the quarter occurs, reduced by the total of the amounts payable to the State under this paragraph for such purposes for all prior quarters in the fiscal year;

reduced by

''(B) the total amount of any penalties assessed against the State under section 477(e) for such fiscal year.''.

TITLE III—EFFECTIVE DATES

SEC. 301. EFFECTIVE DATES.

(a) IN GENERAL.—Subject to subsections (b), (c), and (d), the amendments made by this Act take effect October 1, 2001.

(b) ELIMINATION OF OPT-OUT PROVISION FOR CRIMINAL BACKGROUND CHECKS.—Subject to subsection (d), the amendments made by section 201 take effect on the date of enactment of this Act.

(c) ELIGIBILITY FOR ADOPTION ASSISTANCE PAYMENT OF SPECIAL NEEDS CHILDREN VOLUNTARILY RELINQUISHED TO PRIVATE NONPROFIT AGENCIES.—Subject to subsection (d), the amendments made by section 202 shall be effective with respect to children voluntarily relinquished to, or the subject of a voluntary placement agreement with, a public or nonprofit private agency on or after the date that is 90 days after the date of enactment of this Act.

(d) DELAY PERMITTED IF STATE LEGISLATION REQUIRED.—In the case of a State plan under subpart 2 of part B or part E of the Social Security Act (42 U.S.C. 629 et seq.; 670 et seq.) that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the State plan shall not be regarded as failing to comply with the requirements of such subpart or part solely on the basis of the failure of the plan to meet such additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Mr. DEWINE. Mr. President, I rise today with my friend and colleague, Senator ROCKEFELLER, to introduce the ''Promoting Safe and Stable Families'' bill. This legislation reauthorizes four programs designed to help child welfare agencies establish and maintain permanency by providing grants to States and Indian tribes. The bill also includes programs that the President has proposed, which have my utmost support, as well as a technical correction that Senator ROCKEFELLER and I have proposed to ensure that special needs children continue to be eligible for adoption assistance.

It would be impossible for me to talk about the challenges facing children and the agencies dedicated to protecting them, without saying a few brief words about the recent terrorist bombings in New York and Washington. Following those tragic events, we awoke to a whole new world, a world forever changed by a faceless, cowardly band of terrorists, a world filled with sorrow at the senseless, needless injury and loss of countless members of our American family.

Though it is going to take time to eradicate the terrorist enemy, I am confident that our efforts will bring about peace and security both here at home and across that globe. Ultimately, our efforts to protect the Nation is about the future of our children and grandchildren. And so, we must do all we can to protect them and give them a world that is safe and secure.

In creating that kind of a world, we have to realize that there are thousands of children in this Nation right now who don't live in safe and secure environments, children who have only one parent or no parents at all, as sadly is now the case for many of the children who lost parents in the terrorist attacks.

Far too many children in our country are at risk, not because of the terrorist threat, but because they are neglected or abused by parents or because they are trapped in the legal limbo that is our child welfare system. Because of this, we have an obligation to these children. We have an obligation to protect these innocent lives.

With the bill we are introducing today, we are taking a big step toward meeting that obligation. By reauthorizing and improving the Safe and Stable Families program, we can help strengthen families and ensure the safety of vulnerable children. The funding provided to the States through this legislation is used for four categories of services: family preservation, community-based family support, time-limited family reunification, and adoption promotion and support. These services are designed to prevent child abuse and neglect in communities at risk, avoid the removal of children from their homes, and support timely reunification or adoption.

Our bill reauthorizes the only program that provides funding for post-adoption services. With a 30-percent increase in the number of adoptions since the implementation of the Adoption and Safe Families Act, funding for adoption promotion and support services is especially vital. These services are necessary to ensure that adoptions are not disrupted, which risks further traumatizing a child.

Our bill also amends the Foster Care Independent Living Program to extend the eligibility age from 21 to 23, so that children aging out of foster care can qualify for educational and training vouchers. Currently, too many of the 16,000 children youth who age out of foster care are not able to pursue educational or vocational training because they just don't have the money. This provision helps these young people get the education and career training they need and deserve.

The bill doubles the funding for the Court Improvement Program, CIP, and reauthorizes it through 2006. The CIP program provides grants to the States to develop a system of more timely court actions that provides for the safety of children in foster care and expedites the placement of such children in appropriate permanent settings. This money helps ensure that state courts have the resources necessary to stay in compliance with the Adoption and Safe Families Act. In my own home State of Ohio, this money has been used to develop and implement an attorney certification program in family law. Additionally, the CIP money has been used to implement the Court Appointed Special Advocate, CASA, program throughout Ohio and to implement five pilot programs that uniquely address family law issues.

Also, Senator ROCKEFELLER and I have added a technical correction to the bill that would clarify how Adoption Assistance Payments are distributed. Prior to January 23, 2001, title IV-E Adoption Assistance Payments were available to parents adopting children who met three special needs criteria, regardless of whether a child was placed by a private agency or the State foster care system. Unfortunately, some private agencies were using only one of the three special needs criteria to access payments for these adoptive families.

The January 23rd Adoption Assistance decision draws a distinction between private and State foster care systems to prevent the misuse of funds. However, the decision has had the unintended consequence of adversely affecting agencies like Catholic Charities and their ability to provide adoptive families with payments. Our correction focuses on the children, not the placement agency, by making special needs children adopted through voluntary relinquishment eligible for adoption assistance payments.

I am particularly pleased with some of the President's new initiatives authorized in our bill. For example, the President has proposed that the Department of Health and Human Services be authorized to provide competitive grants to support mentoring programs for children of incarcerated parents. With more than 2 million children with incarcerated parents, this program would provide valuable outreach to this vulnerable group of children.

I would like to conclude my remarks by drawing my colleagues' attention to a recent Washington Post series on the dire state of the District of Columbia's child welfare system. This series outlines multiple mistakes made by the Government by placing children in unsafe homes or institutions. Unfortunately, these same mistakes occur in the child welfare system throughout our country. Here in Washington, these mistakes resulted in over 180 deaths of children in foster care since 1993, 40 of whom died as a direct result of government workers' failure to take key preventative actions or because they placed children in unsafe homes or institutions.

The bill we are introducing today will help make sure that these kinds of mistakes are never repeated. The Senate has a tradition of helping our most vulnerable children, and so I urge my

colleagues to join us in supporting the Reauthorization of Promoting Safe and Stable Families. It is the right thing to do.

By Mr. DORGAN (for himself and Mr. BREAUX):

S. 1504. A bill to extend the moratorium enacted by the Internet Tax Freedom Act through June 30, 2002; to the Committee on Commerce, Science, and Transportation.

Mr. DORGAN. Mr. President, I am going to introduce legislation today on behalf of myself, Senator BREAUX from Louisiana, and Senator HUTCHISON from Texas dealing with the extension of the moratorium on Internet taxation. Let me describe what that is and what it means.

We already have in law a provision that provides a moratorium on the taxation of the Internet as it is called, but it really provides a moratorium on a State government's or a local government's ability to provide a tax on the access to the Internet. There is a moratorium. That moratorium expires on October 21. Except those few that are grandfathered, the moratorium bill not only prohibits State and local governments, from imposing a tax on access to the Internet, it also prohibits punitive or discriminatory taxes with respect to the Internet.

The Congress passed that legislation a couple of years ago. It was designed to expire October 21 of this year. In a few days, it will expire, and there are colleagues of mine who have offered in recent days extensions of the moratorium. Some are talking 5 years; some are talking 2 years. I think both of those are far too long. I propose we extend the moratorium until June 30 of next year.

There is another issue that relates to this, which is why I believe there needs to be an extension. We need to solve the problem of tax collections with respect to Internet transactions and all transactions of remote sales. When you use a computer, or a catalog for that matter, to buy a product, when you receive that product, in most cases you are supposed to pay a sales or a consumption tax to your local government or your State government.

In point of fact, most people never pay that tax. So the State and local governments lose that revenue. The seller, a catalog company or an Internet company that is doing business in most of the States, is not required to collect that sales tax so the seller does not collect it. The person who receives it or orders it and then receives the goods does not pay it, even though they are required to, and the State and local governments lose a substantial amount of money.

A recent study from the Institute for State Studies says this year the loss will be $13.3 billion for State and local governments, and by the year 2011 it is expected State and local governments will lose $54.8 billion of expected revenue. Most of this, incidentally, is revenue that is essential to school systems around the country. Most of this is essential for State and local governments to keep their school systems operating and pay for their schools and education programs.

So State and local governments have a very serious problem. What do they do about it? Internet sellers and catalog sellers also have a problem. If one is set up in business to sell all across the country, but they really have only one location and that is the area where they are set up in business, they do not want to have to subscribe to 5,000 or 7,000 different sales tax jurisdictions. That is far too complicated. The remote sellers have a right to say: We don't want to have to subscribe and pay taxes and file forms in thousands and thousands of different jurisdictions. They are right about that.

What is to be done? It seems to me there is a requirement for State and local governments to simplify their sales tax systems, and when they have dramatically simplified those systems so that companies that are doing business all across the country can easily comply with the requirements—when that happens, when State and local government do that—I believe those engaged in remote sales should collect the tax and remit it to State and local governments. It will be easy for the consumer to have that happen. The tax is already owed. It seems to me it will be convenient enough for the seller to do it if the States have dramatically simplified their system. And it will finally provide the resources the States and local governments have been counting on to support their school systems. All of that ought to be done.

As far as I am concerned, I don't mind extending this moratorium forever—6 months, 2 years, 5 years. It doesn't matter to me. We should not apply discriminatory taxes. We should not apply punitive taxes to Internet transactions. I don't care much about the question of taxing access. As far as I'm concerned, we can prevent all State and local governments from doing that. It does not matter much to me. Speaking for myself, we could make permanent the moratorium. But it should be made permanent or should be made a long-term extension only when we agree, all of us, that we have another problem attendant to it: the problem of the collection and remission of taxes that support our school system.

Let's do both. We have some in the Chamber who say, let's ignore the issue of school finance; say that doesn't exist. You cannot do that. You cannot cast a blind eye to that problem. It is a problem that is serious and growing. Governor Leavitt from Utah sent me a note about it along with the study of the Institute for States Studies describing this.

I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INSTITUTE FOR STATE STUDIES,
Salt Lake City, UT, Oct. 2, 2001.

NEW STUDY SHOWS SALES TAX REVENUE LOSSES FROM E-COMMERCE 41 PERCENT HIGHER THAN PREVIOUS ESTIMATES

STATES, LOCALITIES PROJECTED TO LOSE $54.8 BILLION A YEAR BY 2011

WASHINGTON.—New figures released here today show that state and local governments will lose $13.3 billion in revenue this year—41 percent higher than previously estimated—because taxes are not paid on remote online purchases as they are on ''Main Street'' purchases. Projected annual revenue losses jump to $45.2 billion in 2006 and a staggering $54.8 billion by 2011 as a result of skyrocketing business-to-business e-commerce activity.

This continued loss of revenue highlights fairness issues for Main Street retailers, taxpayers and state and local governments. It creates difficult choices for the 45 states and the District of Columbia that rely on sales tax revenue; raise sales, income and/or property tax rates to compensate; cut services like education and public safety; or a combination of both.

The study was prepared by the Center for Business and Research at the University of Tennessee, the pioneers in research on the subject. Data was collected by Forrester Research, Inc., the recognized leader in e-commerce research. The study was commissioned by the Institute for State Studies, a nonprofit public policy group. The study quantifies the amount of sales tax revenue states and local governments stand to lose in 2001, 2006 and 2011 because remote Internet-based retailers are not required to collect and remit sales tax. The U.S. Congress is currently debating how to address this inequity. The report is available online at *www.statestudies.org*.

A broad coalition of retailers, shopping center owners, state and local government leaders and national associations has for some time maintained that current tax policy as it applies to e-commerce isn't fair. They argue that the lack of a ''level playing field'' in collecting sales taxes leads to significant fairness issues for consumers and businesses. It also creates huge revenue losses for states and local governments, affecting their ability to provide citizens with quality education, effective public safety and other basic services. This research supports those assertions.

For example, Texas will lose $1.2 billion to e-commerce sales tax erosion this year. In Florida, the number is $932.2 million. Illinois will lose out on $532.9 million, Michigan will lose $502.9, Tennessee will lose $362.3 million, Maryland, $194.4 million. In the smallest states, the revenue erosion is large as well. Wyoming will lose $26.1 million; Rhode Island, $36.8 million; North Dakota, $26.4 million; and the District of Columbia, $36.7 million.

In a decade, the revenue losses grow tremendously, according to Donald Bruce, assistant professor at the University of Tennessee and the study's co-author. ''By 2011, the potential revenue loss in Texas alone will be $4.8 billion—that's almost 10 percent of the state's total expected tax collections. To make up for this revenue, Texas's current statewide sales tax rate of 6.25 percent would have to rise to 7.86 percent.''

Historically, states and localities have responded to this erosion in sales tax revenue by raising tax rates, Bruce pointed out. In 1970, the median sales tax rate in the U.S. was 3.25 percent. This rose to 4.0 percent in 1980 and 5.0 percent in 1990. Fifteen states now have rates at or above 6.0 percent.

''We determined that, to make up for revenue losses due to e-commerce, states and local governments would have to raise their

sales tax rates between 0.83 and 1.73 percentage points by 2011,'' said William F. Fox, study co-author and University of Tennessee professor. ''When other factors causing sales tax revenue to shrink are added in, the projected tax increases are even higher.''

In addition to erosion from remote sales, states and local governments are facing a loss of sales tax revenue from two other major trends: 1) a greater consumption of generally non-taxable services rather than taxable goods; and 2) a continual practice of state-legislated exemptions that are narrowing the tax base.

Steps are being taken to simplify the sales tax system, such as streamlining the rules and regulations of the 7,500 taxing jurisdictions in the U.S. This Streamlined Sales Tax Project is sponsored by a consortium of government associations led by the National Governors Association. So far, 32 states are participating in the effort to simplify tax rates and definitions of taxable goods, and to certify software that will make it easier for retailers, both on Main Street and on the Internet, to collect sales taxes. Nineteen states have enacted simplification legislation; another 10 have introduced legislation for consideration.

As part of the ongoing e-commerce sales tax debate, the Institute for State Studies will use this research data to educate state, local and national officials about the magnitude of the issue. The Institute for State Studies is a nonprofit center for public policy research and education located at Western Governors University. The foundation focuses on three areas: public policy and governance issues created by new technology, advancing competency-based measurement and certification in education, and increasing speed and decreasing cost in environmental progress.

PROJECTED STATE AND LOCAL REVENUE LOSSES FROM E–COMMERCE ACTIVITY

[Figures in millions]

State	2001	2006	2011
Alabama	$177.4	$604.3	$734.4
Arkansas	143.8	488.0	590.9
Arizona	231.1	799.2	982.5
California	1,750.0	5,952.0	7,225.0
Colorado	200.7	686.4	836.2
Connecticut	190.5	648.9	788.2
District of Columbia	36.7	123.1	147.7
Florida	932.2	3,214.0	3,944.4
Georgia	439.0	1,517.8	1,865.6
Hawaii	105.1	359.2	438.3
Iowa	111.8	372.3	443.7
Idaho	44.4	151.5	184.6
Illinois	532.9	1,795.3	2,161.7
Indiana	215.5	728.5	879.8
Kansas	134.4	451.5	542.2
Kentucky	158.7	535.5	645.8
Louisiana	302.6	1,008.1	1,202.5
Massachusetts	200.6	683.0	828.6
Maryland	194.4	664.3	809.2
Maine	43.1	146.4	177.5
Michigan	502.9	1,696.2	2,043.6
Minnesota	270.6	920.6	1,117.2
Missouri	261.6	884.1	1,066.7
Mississippi	136.5	462.8	560.0
North Carolina	293.4	1,010.9	1,239.4
North Dakota	26.4	87.6	103.9
Nebraska	70.9	238.7	287.3
New Jersey	337.8	1,150.0	1,396.1
New Mexico	129.1	440.2	535.4
Nevada	126.3	441.7	549.0
New York	1,052.9	3,569.2	4,318.4
Ohio	446.7	1,502.2	1,805.9
Oklahoma	202.8	670.6	794.5
Pennsylvania	446.4	1,503.4	1,811.0
Rhode Island	36.8	124.5	150.4
South Carolina	153.4	525.0	640.5
South Dakota	39.4	133.4	161.3
Tennessee	362.3	1,242.8	1,518.7
Texas	1,162.1	3,957.0	4,805.6
Utah	104.5	359.0	439.2
Virginia	238.5	817.0	997.2
Vermont	21.0	71.7	87.2
Washington	416.5	1,427.3	1,745.3
Wisconsin	213.5	721.5	871.0
West Virginia	70.1	232.4	276.2
Wyoming	26.1	85.2	100.0
Total	13,293.1	45,204.3	54,849.5

Mr. DORGAN. Mr. President, virtually every Governor, or 45 Governors in this country believe strongly we ought to do this, give the States the ability to develop a compact to dramatically simplify their revenue systems. Then, with that compact, we would allow or require the remote sellers to collect the taxes owed.

I am introducing the legislation on behalf of myself, Senator BREAUX, and Senator HUTCHISON, that would extend until June 30 the moratorium that now exists. Between now and June 30 I believe Congress has a responsibility to solve this problem. I don't want there to be and will not support punitive or discriminatory taxes on the Internet. I don't believe we ought to be taxing access to the Internet, and it would not matter to me if we shut it off even for the grandfathered States. The issue of extending the moratorium is not a problem with me.

But we must not extend the moratorium and ignore the other significant problem that exists; and that is, the erosion of billions and billions of dollars that are expected to come in to our State and local government coffers to support our schools. That erosion, to the tune of what is expected to be $54 billion in the year 2011 is a very serious problem and serves no purpose for people to talk only of extending the moratorium and not about the other problem. Let's solve both problems at once on behalf of America's kids and on behalf of remote sellers.

I happen to think the growth of the Internet is a wonderful thing. I think catalog sales are a wonderful thing. I think Main Street businesses are great. I think all the commerce opportunities that exist in this country enhance this country. The Main Street business people say to us: We rent the business, we hire the employees, we carry the inventory, and if you come to our Main Street business and buy a product, we must collect the sales tax. But someone a thousand miles away who competes by catalog or television monitor can make the same sale and sell it without collecting the sales tax. It is true the buyer has a tax responsibility, but the buyer almost never remits that small use tax to the State when that sale is made.

Those are the issues. I call attention today to the fact that some colleagues introduced a piece of legislation that calls for a moratorium for 2 years, some are talking about 5 years. One was introduced, I believe, by my colleague from Virginia and my colleague from California for a 5-year extension. Another was introduced for a 2-year extension. I believe both are too long. I believe the extension until June 30 of next year, with a requirement we get to work, will give the States and the Internet sellers and remote sellers the time they need to get to work and solve this problem. Let's extend it forever as far as I am concerned, but we should fix the long-term problem as we do so.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1504

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Internet Tax Moratorium Extension Act''.

SEC. 2. EXTENSION OF INTERNET TAX FREEDOM ACT MORATORIUM THROUGH JUNE 30, 2002.

(a) IN GENERAL.—Section 1101(a) of the Internet Tax Freedom Act (47 U.S.C. 151 nt.) is amended by striking ''3 years after the date of enactment of this Act—'' and inserting ''on June 30, 2002:''.

(b) CONFORMING AMENDMENTS.—Section 1101(a) of that Act (47 U.S.C. 151 nt.) is further amended—

(1) by striking ''taxes'' in paragraph (1) and inserting ''Taxes'';

(2) by striking ''1998; and'' in paragraph (1) and inserting ''1998.''; and

(3) by striking ''multiple'' in paragraph (2) and inserting ''Multiple''.

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of the Congress that State governments and interested business organizations should expedite efforts to develop a streamlined sales and use tax system that, once approved by Congress, would allow sellers to collect and remit sales and use taxes without imposing an undue burden on interstate commerce.

By Mrs. BOXER (for herself, Mr. ALLEN, Mr. INOUYE, and Mr. KERRY):

S. 1505. A bill to authorize the Secretary of Commerce to establish a Travel and Tourism Promotion Bureau; to the Committee on Commerce, Science, and Transportation.

Mrs. BOXER. Mr. President, today I am introducing the Rediscover America Act of 2001 along with my colleagues, Senator ALLEN, Senator INOUYE, and Senator KERRY. The Rediscover America Act is a bipartisan effort to help promote travel and tourism in the United States in the wake of the September 11, 2001 terrorist attacks on America.

The bill directs the U.S. Secretary of Commerce to establish a Travel and Tourism Promotion Bureau. The Bureau would work with the private sector to develop a public service/advertising campaign to encourage people to rediscover America. While the Bureau will work in the same spirit as the former Travel and Tourism Administration, it will not be a large new bureaucracy. The bill is designed to give the Secretary the flexibility to appoint up to three existing Department of Commerce employees to work on this 2-year project. At least $60 million of the funds provided in the supplemental appropriations bill would be available for this effort so that the campaign can begin quickly. We envision celebrities and national leaders participating in ads that will tout the beauty of the nation and encourage people here and abroad to Rediscover America.

We need the Rediscover America Act at this time for a number of reasons. The revitalization of the travel and

tourism industry following the September 11, 2001 terrorist attacks on the United States is a national economic necessity. The travel and tourism industry has a large impact on the U.S. economy, adding nearly 5 percent of the GDP, generating more than $578 million in revenues, supporting more than 17 million jobs, and providing a $14 million trade surplus for the country.

In California, the travel and tourism industry provides over 1.1 million jobs. Those jobs are now in danger. We estimate that the total direct and indirect losses in the travel and tourism industry as a result of declining consumer confidence could reach nearly 20,000. We need to encourage people to travel in order to restore jobs for people in the industry.

In light of the effect that the attacks have had on the travel and tourism industry, it is important to put measures immediately into place to encourage consumer confidence in travel and in the economy.

Safety and security in travel is of utmost importance in order to restore consumer confidence in the industry. But we will have to get the message out there that it is safe to travel again in order to get passengers back on planes.

While this marketing assistance can only constitute one facet of our response to the current crisis in the travel and tourism industry, we hope its impact will be widely felt. More than 95 percent of the businesses in travel and tourism are small to medium sized enterprises who need help now. Again, this is only one step toward getting the travel and tourism industry back on its feet. Its restoration is vital for the future well being of our economy.

By Mr. NELSON of Florida:

S. 1506. A bill to amend title 10, United States Code, to repeal the requirement for reduction of SBP survivor annuities by dependency and indemnity compensation; to the Committee on Armed Services.

Mr. NELSON of Florida. Mr. President, I am introducing legislation today to take care of a major problem we overlooked recently in passing the defense authorization bill.

I take my inspiration from Holy Scripture where we are told that in God's eyes, the measure of our faith is to look after orphans and widows in their distress.

The fiscal year 2002 Defense authorization bill we just passed corrected one long-standing inequity but not another longstanding inequity. What the Defense authorization bill did was correct an inequity by restoring benefits to our disabled military retirees because currently our system penalizes military retirees, who have given our country the best years of their lives, by reducing their retirement pay by the amount of disability pay they are entitled to receive.

This simply is not fair. Senator REID, our great Democratic floor leader, offered the amendment to the Defense authorization bill, and it was accepted. It allows the disabled military retirees to receive both their disability pay and their retirement pay concurrently instead of one offsetting the other. It makes it effective upon the Defense authorization bill becoming law.

I supported it. All of us supported the Reid amendment. It is now included in the final version of the bill. That correction in law is long overdue.

Now there is another related injustice which needs to be addressed. The legislation I am offering will extend the same protection of benefits to the widows and orphans of military retirees because the same kind of rule that penalized disabled retirees, the offset of disability pay to military retirement pay, also hurts the widows and the surviving children.

Mr. President, go back to 1972 when Congress established the military survival benefits plan to provide retirees' survivors an annuity that was specifically modeled after the civil service survival benefit plan. Like the civilian plan, the military survivors benefit plan is a volunteer benefit program purchased by the retiree. Retired service members pay for this benefit from their retired pay. Then upon their death, their spouse or dependent children can receive up to 55 percent of their retired pay as an annuity.

Surviving spouses or dependent children of 100-percent service-connected disabled retirees are also entitled to dependency and indemnity compensation from the Veterans' Administration. But the annuity paid by the survivors benefits plan and received by a widow or an orphan is reduced by the amount of the dependency and indemnity compensation received from the VA—the same unfair offset that we are now correcting for our military retirees.

So the penalty for widows or orphans is no more justifiable than for retirees. In fact, in the absence of their veteran spouse or parent, the survivors' need for a stable income is often greater. They have depended on the person who has received this disability pay because that disabled person's income was lowered because of their disability, and often because the spouse or the children have to be caregivers to the disabled person, their incomes likewise are reduced; thus the need for this disability pay as set up in law sometime ago for the survivors' need.

Well, Mr. President, I know of no other surviving spouse annuity program in the Federal or private sector that is permitted to offset, terminate, or reduce their survivor payments because of disability payments. Naturally, I was disappointed in this year's Defense authorization bill that we have left behind the widows or orphans of 100-percent disabled retirees. I am not talking about 50-percent disabled; I am talking about the widows or orphans of 100-percent disabled retirees.

I believe we should have and could have addressed this issue when we fixed the offset problem for military retirees. But we didn't. So that is what we are trying to correct with the offering of this legislation.

We should honor our commitments with disabled military retirees and their surviving widows and dependent children. So today I am offering standalone legislation to eliminate that offset called the VA dependency and indemnity compensation offset against the annuity paid by the survivors benefit plan.

I will repeat what I said at the outset. In the first chapter of James, verse 27 of the Holy Scriptures, we are told in God's eyes that the true measure of our faith is to look after orphans and widows in their distress. So we simply can't allow this situation to stand. We need to restore the full benefits to our country's military retirees and their families. I will continue to work to do right by those who have given this Nation their all, and especially for the loved ones they may leave to our care.

Thank you for the opportunity of addressing the Senate as I introduce this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1506

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF REQUIREMENT OF REDUCTION OF SBP SURVIVOR ANNUITIES BY DEPENDENCY AND INDEMNITY COMPENSATION.

(a) REPEAL.—Section 1451(c) of title 10, United States Code, is amended by striking paragraph (2).

(b) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits may be paid to any person for any period before the effective date specified in subsection (c) by reason of the amendment made by subsection (a).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on—

(1) the first day of the first month that begins after the date of the enactment of this Act; or

(2) the first day of the fiscal year that begins in the calendar year in which this Act is enacted, if later than the date specified in paragraph (1).

By Mr. CORZINE (for himself, Mr. REED, and Mr. TORRICELLI):

S. 1508. A bill to increase the preparedness of the United States to respond to a biological or chemical weapons attack; to the Committee on Health, Education, Labor, and Pensions.

Mr. CORZINE. Mr. President, I rise today to introduce the Biological and Chemical Attack Preparedness Act, legislation that would help prepare our public health infrastructure for the possibility of a future biological or chemical attack.

The attacks of September 11 have focused attention on the threat posed to our entire Nation by terrorists, especially the threat of biological and chemical attacks. My office has received numerous letters and phone

calls from constituents alarmed by recent news reports that the Federal Aviation Administration grounded crop dusters. Some speculate that the small propeller planes might be used to deliver chemical or biological weapons over a broad area, threatening the health and well being of the people below. The implications of such an attack are enormous. One analysis from the Centers for Disease Control predicted that a few kilograms of anthrax delivered over a major metropolitan area would kill more people than the atomic bomb dropped on Hiroshima.

While the US is fortunate to have avoided a biological or chemical attack thus far, the threat of such an attack is very real. In 1995, it was hard to imagine that Japan would be targeted for such an attack. But that year, an apocalyptic cult did just that in a Tokyo subway station. The highly sophisticated cult counted scientists among its adherents and developed a deadly chemical weapon: sarin gas. They employed a crude form of delivery, filling soda cans and lunch boxes with sarin gas and puncturing the improvised containers as they left a rail car.

While technical expertise and considerable resources are required, it is clear that a motivated terrorist group can unleash a chemical or biological weapon on a complacent population. The possibility of such an attack seems even greater when one realize that many of the countries considered to be active state sponsors of terrorism by the State Department are also believed to be developing chemical and biological weapons.

The events of September 11 have brought our country's vulnerability to an attack with chemical and biological weapons into even greater focus. However, the challenge of maintaining the functionality of key infrastructure in the event of a chemical or biological emergency has been a concern for some time. The well-regarded Hart-Rudman report calls for careful preparation and explains that in a biological attack, ''citizen cooperation with government authorities will depend on public confidence that those authorities can manage the emergency.'' A recent Newsweek poll found that 46 percent of respondents were not convinced that national and local governments are prepared to handle an attack with biological or chemical weapons.

Unfortunately, Americans have reason to be skeptical about the extent or which our public health system is prepared for a chemical or biological attack. The overwhelming consensus among public health officials is that our health care infrastructure today is not equipped to address a mass casualty incident involving chemical and biological weapons.

The attack in Japan in 1995 was the first time in history when chemical weapons were turned on a civilian population. As such, it is a valuable and instructive case study. The attack itself killed eleven Japanese civilians and injured several hundred, a tragedy by any measure, but with a limited death count. The incident has broader significance for what it shows about the failure of an advanced public health system to respond to a biological or chemical weapon emergency. Specifically, the attack highlighted unfortunate weaknesses in Japan's ability to coordinate a comprehensive public health response.

To put it mildly, the subway attack caught Japan's public health system off guard. St. Luke's International Hospital received most victims of the attack, treating over six hundred Japanese patients. Although even before the attack the hospital maintained a high level of emergency preparedness and conducted periodic emergency drills, it was not ready for the tremendous surge of acutely ill patients that overwhelmed the emergency room. The hospital was not prepared to treat victims manifesting the symptoms characteristics of sarin gas poisoning. It was not prepared to guarantee the health and safety of the healthcare workers employed there. And, although terribly overburdened with patients being treated in the chapel and cafeteria, it was unable to release patients to other hospitals, knowing that other hospitals were even less prepared to deal with the unique challenges posed by victims of chemical weapons. Because of the use of chemical weapons, standards already established for mass casualty incidents were found to be inadequate, and the staff was forced to improvise. According to a study conducted by the hospital, more than twenty-percent of the health professionals assisting the victims developed sarin gas poisoning themselves.

Healthcare workers helping the sick were put into harm's way. Had the chemical or biological agent been more severe or had the health professionals received a greater dose, the implications of Japan's lack of preparation could have been even more serious.

The United States must learn from the nightmare experienced by Japan and shore up our public health infrastructure before it is too late.

Unfortunately, despite several programs that have moved us in the right direction, including the historic Frist-Kennedy emerging threats legislation passed in the last Congress that I hope will receive the funding it deserves, the United States' public health system is not much more prepared than Japan's in 1995.

A study appearing in the May 2001 issue of the respected American Journal of Public Health reveals a troubling situation. Of the hospitals that responded to a survey, fewer than 20 percent had any plans for biological or chemical weapons incidents. That means only one-fifth of hospitals nationwide had even considered the implications of a chemical or biological attack on delivery of care. And only 6 percent had the minimum recommended physical resources for a hypothetical sarin incident. It is clear, that the U.S. is not prepared.

The study outlines that the ''Domestic Preparedness Program . . . has included no systemic efforts to integrate hospitals into response plans, and it has provided only limited funds to acquire resources for state and local responders and none for hospitals.'' It is time to ensure that our public health system is up to the challenges of the new threat environment, including the possibility that chemical weapons or biological agents will be released on the United States.

A report published by the American Hospital Association in conjunction with the Office of Emergency Preparedness, found that the fundamental problem is, and I quote, ''there is no general societal support for the preparedness role of the hospital.'' Up until this point, there was no requirement for individual hospitals or departments of health to plan for the possibility of a chemical or biological attack. Nor was there any funding to help them in this important process. In our previous approach to bioterrorism, we have focused on stockpiling medical supplies and creating additional laboratory capacity, but we have ignored the emergency preparedness of our hospitals.

The Biological and Chemical Attack Preparedness Act seeks to overcome this failing of our public health system in several important ways. First, it would require States to develop public health disaster plans in consultation with local governments. It is vital that the various state governments rapidly devise and implement plans based on their own specific needs and strengths. The public health disaster plan developed by Nebraska will be very different from the one developed by New Jersey, and for good reason. The public health challenges posed by a rural population are different than those posed by a suburban or urban population. State plans must take into account the distribution and the pre-existing capabilities of hospitals in their states. They must address issues surrounding proximity to care and the financial costs of implementing a system. Simply put, they must devise a mechanism for providing care to all affected state residents in the event of an attack.

This being said, as with national security issues generally, there is an important federal role. It is the job of the Department of Health and Human Services to establish broad guidelines and oversee the implementation of the various plans. Just as we need coordination between States, localities, and hospitals, we need coordination with the national health system. To ensure that states comply, Medical funding would be withheld for any state that failed to meet the broad requirements of the legislation.

Second, as part of the public health disaster plan, States would be required to designate hospitals so that all state residents affected by a chemical or biological weapons disaster would have access to treatment. Each designated

hospital would be required to devise and implement a chemical and biological weapons response that complies with their responsibilities as a component of the State's overall response. Right now, with only 6 percent of hospitals providing a high level of chemical and biological weapons attack readiness, we are far from the goal of ensuring that any person affected by chemical or biological weapons can receive treatment. Hospitals designated as part of the plan must be prepared with equipment, trained personnel, and pharmaceutical products sufficient to meet the anticipated need in the event of chemical or biological attack.

I know we are asking a lot of our States and of our hospitals. Certainly, the additional precautions taken to prepare for an unconventional attack will be expensive. To address this real concern, the bill would create a new grant program administered by the Office of Emergency Preparedness of HHS to fund the implementation of biological and chemical attack preparedness strategies by health care providers. Hospitals could use the funds to purchase Class-A suits to protect healthcare professionals, filtration equipment to clean the air, shower units to remove chemical agents, antibiotics and vaccines to treat patients, and, perhaps most importantly, training for the staff to recognize the warning signs of an attack. And, because we are asking for additional preparation on the part of designated hospitals, they will receive preferential treatment in the grant program. Not incidentally, local governments would be eligible for the grants as well, providing a level of local control and oversight that is a vital component of a truly coordinated response.

The Biological and Chemical Attack Preparedness Act would help ensure that our national public health system is prepared to orchestrate a skillful, quick and coordinated response to an attack with chemical or biological weapons. The bill would provide the resources necessary to assist hospitals and local governments in getting up to speed. And it would ensure that the various jurisdictions in our public health system are working together towards a single compelling goal: preparing for the devastating implications of a chemical or biological weapons attack. It would be far better to spend the money now than suffer the grim consequences later.

I urge my colleagues to support this important piece of legislation, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1508

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Biological and Chemical Attack Preparedness Act''.

SEC. 2. STATE PUBLIC HEALTH DISASTER PLANS.

(a) IN GENERAL.—Not later than 120 days after the publication of the standards developed by the Secretary of Health and Human Services (in this Act referred to as the ''Secretary'') under subsection (c), each State shall develop a State public health disaster plan for responding to biological or chemical attacks. Not later than 180 days after the publication of such standards, each State shall fully implement the State's plan.

(b) REQUIREMENTS OF PLAN.—A State public health disaster plan developed under subsection (a) shall—

(1) comply with the standards developed under subsection (c);

(2) require designated hospitals and health care providers in the State to have procedures in place to provide health care items and services (including antidotes, vaccines or other drugs or biologicals) to all State residents in the event of a biological or chemical attack;

(3) require that hospitals and health care providers designated under paragraph (2) conduct drills, on a semiannual or other basis determined appropriate by the Secretary, to ensure the readiness of such hospital or provider to receive and treat victims of a biological or chemical attack;

(4) be developed in consultation with affected local governments and hospitals; and

(5) meet such other requirements as the Secretary determines appropriate.

(c) STANDARDS.—Not later than 120 days after the date of enactment of this Act, the Secretary of Health and Human Services shall develop, and publish in the Federal Register, standards relating to State public health disaster plans, including requirements relating to the equipment, training, treatment, and personnel that a hospital or health care provider must have to be a designated hospital or provider under such plan.

(d) SUBMISSION TO SECRETARY.—

(1) IN GENERAL.—Not later 360 days after the date on which standards are published under subsection (c), and annually (or at such other regular periods as the Secretary may determine appropriate) thereafter, a State shall submit to the Secretary for approval the disaster plan developed by the State under this section. The Secretary may only approve such plan if the Secretary determines that the plan complies with such standards.

(2) MONITORING.—The Secretary shall monitor the States to determine whether each State has developed and implemented a State disaster plan in accordance with this section.

(e) MEDICAID STATE PLAN REQUIREMENT.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (64), by striking ''and'' at the end;

(2) in paragraph (65), by striking the period at the end and inserting ''; and'', and

(3) by inserting after paragraph (65) the following:

''(66) provide that the State shall develop, for approval by the Secretary, and have in effect a State public health disaster plan for responding to biological or chemical attacks in accordance with section 2 of the Biological and Chemical Attack Preparedness Act, except that this paragraph shall not apply to a State if the Secretary waives the application of this paragraph because of the existence of exceptional circumstances.''.

SEC. 3. GRANTS FOR TRAINING, EQUIPMENT, AND PERSONNEL.

(a) IN GENERAL.—The Secretary, acting through the Director of the Office of Emergency Preparedness, shall award grants to hospitals and health care providers to enable such hospitals and providers to provide training, give treatment, purchase equipment, and employ personnel.

(b) ELIGIBILITY.—

(1) IN GENERAL.—To be eligible for a grant under subsection (a), a hospital or health care provider shall in consultation with the State, prepare and submit to the Director of the Office of Emergency Preparedness, an application at such time, in such manner, and containing such information as the Director may require.

(2) PREFERENCE FOR DESIGNATED HOSPITALS AND PROVIDERS.—In awarding grants under this section, the Director shall give priority to applicant hospitals and health care providers that are designated hospitals or providers under the State public health disaster plan under section 2.

(3) GOVERNMENTAL ENTITIES.—Notwithstanding paragraph (1)(A), the Director may award a grant under this section to a State or local governmental entity if the Secretary determines that such an award is appropriate.

(c) USE OF FUNDS.—

(1) IN GENERAL.—A grantee shall use amounts received under a grant under this section to provide training, give treatment (including the provision of antidotes, vaccines or other drugs or biologicals), purchase equipment, and employ personnel as determined to be appropriate by the Director of the Office of Emergency Preparedness to enable the grantee to carry out its duties under the State public health disaster plan.

(2) TECHNICAL EXPERTISE.—A grantee may use amounts received under a grant under this section to acquire technical expertise to enable the grantee to develop appropriate responses to biological or chemical attacks.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, such sums as may be necessary to carry out this section.

Mr. REED. Mr. President, I am pleased to join my colleagues, Senators CORZINE and TORRICELLI of New Jersey in introducing this timely and important legislation. The Biological and Chemical Attack Preparedness Act seeks to address a critical need that currently exists in our health care emergency preparedness network.

Since the devastating attacks of September 11, it has become apparent that we as a Nation face many threats for which we must be prepared. Over the past decade, the Federal Government has made significant investments in research, planning and implementation of procedures designed to deal with a variety of terrorist attacks, including strengthening our public health system so that it may respond effectively to a potential biological or chemical terrorist event. In that time, we have made great progress in solidifying our level of preparedness for these kinds of insidious events. Nevertheless, the events of last month have also made us keenly aware of our vulnerabilities, particularly when it comes to State and local health systems, where our ability to resond to a major catastrophic event is not what it should be.

Specifically, while the 1996 Defense Against Weapons of Mass Destruction Act required the development of a Domestic Preparedness Program, including efforts to improve capacity of local emergency response agencies, only limited funds were provided to state and local responders and none for hospitals. For those hospitals that have devised

plans, the challenge is often finding the resources to acquire the appropriate equipment and training necessary to respond to a chemical or biological event.

The Biological and Chemical Attack Preparedness Act we are introducing today would address this urgent problem by requiring all States to think strategically about their health systems and how they might be called to respond to a biological or chemical attack. Each State would submit to the Department of Health and Human Services for review and approval a disaster preparedness plan that would designate certain hospitals and providers to respond to a terrorist attack. These facilities would devise and implement chemical and biological weapons response plans that conform to their responsibilities as a component of the State's overall disaster response. To help defray these additional costs, the bill authorizes a new grant program administered by HHS' Office of Emergency Preparedness to fund the implementation of biological and chemical attack preparedness strategies.

This legislation compliments ongoing efforts to enhance our public health capability to minimize casualties should a biological or chemical attack occur within our borders. Indeed, it is absolutely essential that every link in the health system chain, from the individual provider to our Federal health agencies, has the tools it needs to carry out the tasks for which it is responsible in this new world.

I thank my colleagues for the opportunity to join them today in this important endeavor and urge the Senate to take quick action to adopt this important legislation.

By Mr. ROCKEFELLER:

S. 1509. A bill to establish a grant program to enable rural police departments to gain access to the various crime-fighting, investigatory, and information-sharing resources available on the Internet, and for other purposes; to the Committee on the Judiciary.

Mr. ROCKEFELLER. Mr. President, I am proud today to introduce the Networking Electronically To Connect Our Police Act of 2001, or the NET COP Act, which will help police departments in rural communities throughout the United States take advantage of the many crime-fighting and information-sharing resources available through the Internet.

In the first decade of widespread use of the Internet, people everywhere have become accustomed to ready availability of a tremendous volume of useful information available to anyone with a computer and access to the Web. Federal, State, and local law enforcement agencies in this country have made extremely good use of this capability to share intelligence, to widen their investigatory nets, to find lost or abducted children, to locate deadbeat parents, to tap into centralized criminal databases, and to track and apprehend criminals with a speed they could not have dreamed of before using the Internet.

Unfortunately, as truly amazing as the law enforcement successes have been, the results could be better. Much as schools, libraries, local governments, and businesses in rural America have not always shared equally in the benefits of Internet access with their counterparts in urban and suburban areas, police departments serving some smaller communities have been unable to participate in this revolutionary crime-fighting technology to the same degree enjoyed by big-city departments.

Of the many lessons this country learned so painfully because of the terrorist attacks of September 11, perhaps the most painful is that information and intelligence that is not shared is information and intelligence wasted, often with tragic results. Crimes, including acts of terrorism, might be prevented if the right information finds its way to the appropriate law enforcement officials. We are also sensitized to the fact that crime knows no boundaries. In the world today, criminal activity is as great a concern for citizens and police officers in small towns as it is for those in large population centers. With our renewed national dedication to supplying law enforcement agencies with the tools they need to fight crime, we cannot doubt the necessity of ensuring that police departments in rural communities, like their colleagues in cities, have access to Internet-based crime-fighting and information-sharing resources.

The NET COP Act does just this. This bill sets up a grant program, administered by the United States Department of Justice, to enable rural police departments without Internet access to purchase appropriate computer hardware and software, or to pay for Internet access, so that they can join the many thousands of federal, State, and local agencies already sharing information and cooperating to track down and arrest criminals via such Internet-based services as DOJ's Regional Information Sharing Systems, RISS, and the FBI's Law Enforcement On-Line, LEO, program. NET COP grants will be given directly to police chiefs, so that they can buy just what they need to hook into the growing network of web-based law enforcement tools. NET COP grants will also be available for computer upgrades, if they are determined to be necessary.

Some rural police department officials and officers have been able to afford computer equipment, or to have their departments wired for the Internet, and have paid for out of their own pockets. So, NET COP grants will also be made available for reimbursement to those police officers and officials who have taken it upon themselves to provide their departments with these essential tools. Criteria for this reimbursement will be set by the Attorney General.

Additionally, this bill will require the Attorney General to set up a Police Department Technology Assistance Desk, to answer questions from local police chiefs about necessary technologies, and to assist police officials and local governments in making appropriate purchases from reputable dealers.

Finally, to gauge how effective the NET COP grant program is, the bill requires the General Accounting Office to make an annual report to Congress comparing the concentration of the nation's ''wired'' police departments generally with the number of rural departments having Internet access.

I believe the NET COP Act will serve as an extremely important crime-fighting tool for rural America. As we endeavor to create a safer and more secure United States, I recommend this legislation as a crucial component of a comprehensive response to crime.

By Mr. DASCHLE (for himself, Mr. LOTT, Mr. LEAHY, Mr. HATCH, Mr. GRAHAM, Mr. SHELBY, and Mr. SARBANES):

S. 1510. A bill to deter and punish terrorist acts in the United States and around the world, to enhance law enforcement investigatory tools, and for other purposes; read the first time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Mr. DASCHLE. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 1510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Uniting and Strengthening America Act'' or the ''USA Act of 2001''.

(b) TABLE OF CONTENTS.— The table of contents for this Act is as follows:

SEC. 2. CONSTRUCTION; SEVERABILITY.

Any provision of this Act held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, shall be construed so as to give it the maximum effect permitted by law, unless such holding shall be one of utter invalidity or unenforceability, in which event such provision shall be deemed severable from this Act and shall not affect the remainder thereof or the application of such provision to other persons not similarly situated or to other, dissimilar circumstances.

TITLE I—ENHANCING DOMESTIC SECURITY AGAINST TERRORISM

SEC. 101. COUNTERTERRORISM FUND.

(a) ESTABLISHMENT; AVAILABILITY.—There is hereby established in the Treasury of the United States a separate fund to be known as the ''Counterterrorism Fund'', amounts in which shall remain available without fiscal year limitation—

(1) to reimburse any Department of Justice component for any costs incurred in connection with—

(A) reestablishing the operational capability of an office or facility that has been damaged or destroyed as the result of any domestic or international terrorism incident;

(B) providing support to counter, investigate, or prosecute domestic or international terrorism, including, without limitation, paying rewards in connection with these activities; and

(C) conducting terrorism threat assessments of Federal agencies and their facilities; and

(2) to reimburse any department or agency of the Federal Government for any costs incurred in connection with detaining in foreign countries individuals accused of acts of terrorism that violate the laws of the United States.

(b) NO EFFECT ON PRIOR APPROPRIATIONS.—Subsection (a) shall not be construed to affect the amount or availability of any appropriation to the Counterterrorism Fund made before the date of enactment of this Act.

SEC. 102. SENSE OF CONGRESS CONDEMNING DISCRIMINATION AGAINST ARAB AND MUSLIM AMERICANS.

(a) FINDINGS.—Congress makes the following findings:

(1) Arab Americans, Muslim Americans, and Americans from South Asia play a vital role in our Nation and are entitled to nothing less than the full rights of every American.

(2) The acts of violence that have been taken against Arab and Muslim Americans since the September 11, 2001, attacks against the United States should be and are condemned by all Americans who value freedom.

(3) The concept of individual responsibility for wrongdoing is sacrosanct in American society, and applies equally to all religious, racial, and ethnic groups.

(4) When American citizens commit acts of violence against those who are, or are perceived to be, of Arab or Muslim descent, they should be punished to the full extent of the law.

(5) Muslim Americans have become so fearful of harassment that many Muslim women are changing the way they dress to avoid becoming targets.

(6) Many Arab Americans and Muslim Americans have acted heroically during the attacks on the United States, including Mohammed Salman Hamdani, a 23-year-old New Yorker of Pakistani descent, who is believed to have gone to the World Trade Center to offer rescue assistance and is now missing.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the civil rights and civil liberties of all Americans, including Arab Americans, Muslim Americans, and Americans from South Asia, must be protected, and that every effort must be taken to preserve their safety;

(2) any acts of violence or discrimination against any Americans be condemned; and

(3) the Nation is called upon to recognize the patriotism of fellow citizens from all ethnic, racial, and religious backgrounds.

SEC. 103. INCREASED FUNDING FOR THE TECHNICAL SUPPORT CENTER AT THE FEDERAL BUREAU OF INVESTIGATION.

There are authorized to be appropriated for the Technical Support Center established in section 811 of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132) to help meet the demands for activities to combat terrorism and support and enhance the technical support and tactical operations of the FBI, $200,000,000 for each of the fiscal years 2002, 2003, and 2004.

SEC. 104. REQUESTS FOR MILITARY ASSISTANCE TO ENFORCE PROHIBITION IN CERTAIN EMERGENCIES.

Section 2332e of title 18, United States Code, is amended—

(1) by striking ''2332c'' and inserting ''2332a''; and

(2) by striking ''chemical''.

SEC. 105. EXPANSION OF NATIONAL ELECTRONIC CRIME TASK FORCE INITIATIVE.

The Director of the United States Secret Service shall take appropriate actions to develop a national network of electronic crime task forces, based on the New York Electronic Crimes Task Force model, throughout the United States, for the purpose of preventing, detecting, and investigating various forms of electronic crimes, including potential terrorist attacks against critical infrastructure and financial payment systems.

SEC. 106. PRESIDENTIAL AUTHORITY.

Section 203 of the International Emergency Powers Act (50 U.S.C. 1702) is amended—

(1) in subsection (a)(1)—

(A) at the end of subparagraph (A) (flush to that subparagraph), by striking ''; and'' and inserting a comma and the following:

''by any person, or with respect to any property, subject to the jurisdiction of the United States;'';

(B) in subparagraph (B)—

(i) by inserting '', block during the pendency of an investigation'' after ''investigate''; and

(ii) by striking ''interest;'' and inserting ''interest by any person, or with respect to any property, subject to the jurisdiction of the United States; and''; and

(C) by inserting at the end the following:

''(C) when the United States is engaged in armed hostilities or has been attacked by a foreign country or foreign nationals, confiscate any property, subject to the jurisdiction of the United States, of any foreign person, foreign organization, or foreign country that he determines has planned, authorized, aided, or engaged in such hostilities or attacks against the United States; and all right, title, and interest in any property so confiscated shall vest, when, as, and upon the terms directed by the President, in such agency or person as the President may designate from time to time, and upon such terms and conditions as the President may prescribe, such interest or property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes.''; and

(2) by inserting at the end the following:

''(c) CLASSIFIED INFORMATION.—In any judicial review of a determination made under this section, if the determination was based on classified information (as defined in section 1(a) of the Classified Information Procedures Act) such information may be submitted to the reviewing court ex parte and in camera. This subsection does not confer or imply any right to judicial review.''.

TITLE II—ENHANCED SURVEILLANCE PROCEDURES

SEC. 201. AUTHORITY TO INTERCEPT WIRE, ORAL, AND ELECTRONIC COMMUNICATIONS RELATING TO TERRORISM.

Section 2516(1) of title 18, United States Code, is amended—

(1) by redesignating paragraph (p), as so redesignated by section 434(2) of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132; 110 Stat. 1274), as paragraph (r); and

(2) by inserting after paragraph (p), as so redesignated by section 201(3) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208; 110 Stat. 3009–565), the following new paragraph:

''(q) any criminal violation of section 229 (relating to chemical weapons); or sections 2332, 2332a, 2332b, 2332d, 2339A, or 2339B of this title (relating to terrorism); or''.

SEC. 202. AUTHORITY TO INTERCEPT WIRE, ORAL, AND ELECTRONIC COMMUNICATIONS RELATING TO COMPUTER FRAUD AND ABUSE OFFENSES.

Section 2516(1)(c) of title 18, United States Code, is amended by striking ''and section 1341 (relating to mail fraud),'' and inserting ''section 1341 (relating to mail fraud), a felony violation of section 1030 (relating to computer fraud and abuse),''.

SEC. 203. AUTHORITY TO SHARE CRIMINAL INVESTIGATIVE INFORMATION.

(a) AUTHORITY TO SHARE GRAND JURY INFORMATION.—

(1) IN GENERAL.—Rule 6(e)(3)(C) of the Federal Rules of Criminal Procedure is amended—

(A) in clause (iii), by striking ''or'' at the end;

(B) in clause (iv), by striking the period at the end and inserting ''; or''; and

(C) by inserting at the end the following:

''(v) when the matters involve foreign intelligence or counterintelligence (as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 401a)), or foreign intelligence information (as defined in Rule 6(e)(3)(C)(ii)) to any other Federal law enforcement, intelligence, protective, immigration, national defense, or national security official in order to assist the official receiving that information in the performance of his official duties. Any Federal official who receives information pursuant to clause (v) may use that information only as necessary in the conduct of that person's official duties subject to any limitations on the unauthorized disclosure of such information.''.

(2) DEFINITION.—Rule 6(e)(3)(C) of the Federal Rules of Criminal Procedure, as amended by paragraph (1), is amended by—

(A) inserting ''(i)'' after ''(C)'';

(B) redesignating clauses (i) through (v) as subclauses (I) through (IV), respectively; and

(C) inserting at the end the following:

''(ii) In this subparagraph, the term 'foreign intelligence information' means—

''(I) information, whether or not concerning a United States person, that relates

to the ability of the United States to protect against—

''(aa) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;

''(bb) sabotage or international terrorism by a foreign power or an agent of a foreign power; or

''(cc) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power; or

''(II) information, whether or not concerning a United States person, with respect to a foreign power or foreign territory that relates to—

''(aa) the national defense or the security of the United States; or

''(bb) the conduct of the foreign affairs of the United States.''.

(b) AUTHORITY TO SHARE ELECTRONIC, WIRE, AND ORAL INTERCEPTION INFORMATION.—

(1) LAW ENFORCEMENT.—Section 2517 of title 18, United States Code, is amended by inserting at the end the following:

''(6) Any investigative or law enforcement officer, or attorney for the Government, who by any means authorized by this chapter, has obtained knowledge of the contents of any wire, oral, or electronic communication, or evidence derived therefrom, may disclose such contents to any other Federal law enforcement, intelligence, protective, immigration, national defense, or national security official to the extent that such contents include foreign intelligence or counterintelligence (as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 401a)), or foreign intelligence information (as defined in subsection (19) of section 2510 of this title), to assist the official who is to receive that information in the performance of his official duties. Any Federal official who receives information pursuant to this provision may use that information only as necessary in the conduct of that person's official duties subject to any limitations on the unauthorized disclosure of such information.''.

(2) DEFINITION.—Section 2510 of title 18, United States Code, is amended by—

(A) in paragraph (17), by striking ''and'' after the semicolon;

(B) in paragraph (18), by striking the period and inserting ''; and''; and

(C) by inserting at the end the following:

''(19) 'foreign intelligence information' means—

''(A) information, whether or not concerning a United States person, that relates to the ability of the United States to protect against—

''(i) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;

''(ii) sabotage or international terrorism by a foreign power or an agent of a foreign power; or

''(iii) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power; or

''(B) information, whether or not concerning a United States person, with respect to a foreign power or foreign territory that relates to—

''(i) the national defense or the security of the United States; or

''(ii) the conduct of the foreign affairs of the United States.''.

(c) PROCEDURES.—The Attorney General shall establish procedures for the disclosure of information pursuant to section 2517(6) and Rule 6(e)(3)(C)(v) of the Federal Rules of Criminal Procedure that identifies a United States person, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801)).

(d) FOREIGN INTELLIGENCE INFORMATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, it shall be lawful for foreign intelligence or counterintelligence (as defined section 3 of the National Security Act of 1947 (50 U.S.C. 401a)) or foreign intelligence information obtained as part of a criminal investigation to be disclosed to any Federal law enforcement, intelligence, protective, immigration, national defense, or national security official in order to assist the official receiving that information in the performance of his official duties. Any Federal official who receives information pursuant to this provision may use that information only as necessary in the conduct of that person's official duties subject to any limitations on the unauthorized disclosure of such information.

(2) DEFINITION.—In this subsection, the term ''foreign intelligence information'' means—

(A) information, whether or not concerning a United States person, that relates to the ability of the United States to protect against—

(i) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;

(ii) sabotage or international terrorism by a foreign power or an agent of a foreign power; or

(iii) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power; or

(B) information, whether or not concerning a United States person, with respect to a foreign power or foreign territory that relates to—

(i) the national defense or the security of the United States; or

(ii) the conduct of the foreign affairs of the United States.

SEC. 204. CLARIFICATION OF INTELLIGENCE EXCEPTIONS FROM LIMITATIONS ON INTERCEPTION AND DISCLOSURE OF WIRE, ORAL, AND ELECTRONIC COMMUNICATIONS.

Section 2511(2)(f) of title 18, United States Code, is amended—

(1) by striking ''this chapter or chapter 121'' and inserting ''this chapter or chapter 121 or 206 of this title''; and

(2) by striking ''wire and oral'' and inserting ''wire, oral, and electronic''.

SEC. 205. EMPLOYMENT OF TRANSLATORS BY THE FEDERAL BUREAU OF INVESTIGATION.

(a) AUTHORITY.—The Director of the Federal Bureau of Investigation is authorized to expedite the employment of personnel as translators to support counterterrorism investigations and operations without regard to applicable Federal personnel requirements and limitations.

(b) SECURITY REQUIREMENTS.—The Director of the Federal Bureau of Investigation shall establish such security requirements as are necessary for the personnel employed as translators under subsection (a).

(c) REPORT.—The Attorney General shall report to the Committees on the Judiciary of the House of Representatives and the Senate on—

(1) the number of translators employed by the FBI and other components of the Department of Justice;

(2) any legal or practical impediments to using translators employed by other Federal, State, or local agencies, on a full, part-time, or shared basis; and

(3) the needs of the FBI for specific translation services in certain languages, and recommendations for meeting those needs.

SEC. 206. ROVING SURVEILLANCE AUTHORITY UNDER THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

Section 105(c)(2)(B) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805(c)(2)(B)) is amended by inserting '', or in circumstances where the Court finds that the actions of the target of the application may have the effect of thwarting the identification of a specified person, such other persons,'' after ''specified person''.

SEC. 207. DURATION OF FISA SURVEILLANCE OF NON-UNITED STATES PERSONS WHO ARE AGENTS OF A FOREIGN POWER.

(a) DURATION .—

(1) SURVEILLANCE.—Section 105(d)(1) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805(d)(1)) is amended by—

(A) inserting ''(A)'' after ''except that''; and

(B) inserting before the period the following: '', and (B) an order under this Act for a surveillance targeted against an agent of a foreign power, as defined in section 101(b)(A) may be for the period specified in the application or for 120 days, whichever is less''.

(2) PHYSICAL SEARCH.—Section 304(d)(1) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1824(d)(1)) is amended by—

(A) striking ''forty-five'' and inserting ''90'';

(B) inserting ''(A)'' after ''except that''; and

(C) inserting before the period the following: '', and (B) an order under this section for a physical search targeted against an agent of a foreign power as defined in section 101(b)(A) may be for the period specified in the application or for 120 days, whichever is less''.

(b) EXTENSION.—

(1) IN GENERAL.—Section 105(d)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805(d)(2)) is amended by—

(A) inserting ''(A)'' after ''except that''; and

(B) inserting before the period the following: '', and (B) an extension of an order under this Act for a surveillance targeted against an agent of a foreign power as defined in section 101(b)(1)(A) may be for a period not to exceed 1 year''.

(2) DEFINED TERM.—Section 304(d)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1824(d)(2) is amended by inserting after ''not a United States person,'' the following: ''or against an agent of a foreign power as defined in section 101(b)(1)(A)''.

SEC. 208. DESIGNATION OF JUDGES.

Section 103(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1803(a)) is amended by—

(1) striking ''seven district court judges'' and inserting ''11 district court judges''; and

(2) inserting ''of whom no less than 3 shall reside within 20 miles of the District of Columbia'' after ''circuits''.

SEC. 209. SEIZURE OF VOICE-MAIL MESSAGES PURSUANT TO WARRANTS.

Title 18, United States Code, is amended—

(1) in section 2510—

(A) in paragraph (1), by striking beginning with ''and such'' and all that follows through ''communication''; and

(B) in paragraph (14), by inserting ''wire or'' after ''transmission of''; and

(2) in subsections (a) and (b) of section 2703—

(A) by striking ''CONTENTS OF ELECTRONIC'' and inserting ''CONTENTS OF WIRE OR ELECTRONIC'' each place it appears;

(B) by striking ''contents of an electronic'' and inserting ''contents of a wire or electronic'' each place it appears; and

(C) by striking ''any electronic'' and inserting ''any wire or electronic'' each place it appears.

SEC. 210. SCOPE OF SUBPOENAS FOR RECORDS OF ELECTRONIC COMMUNICATIONS.

Section 2703(c)(2) of title 18, United States Code, as redesignated by section 212, is amended—

(1) by striking ''entity the name, address, local and long distance telephone toll billing records, telephone number or other subscriber number or identity, and length of service of the subscriber'' and inserting the following: ''entity the—

''(A) name;

''(B) address;

''(C) local and long distance telephone connection records, or records of session times and durations;

''(D) length of service (including start date) and types of service utilized;

''(E) telephone or instrument number or other subscriber number or identity, including any temporarily assigned network address; and

''(F) means and source of payment (including any credit card or bank account number),

of a subscriber''; and

(2) by striking ''and the types of services the subscriber or customer utilized,''.

SEC. 211. CLARIFICATION OF SCOPE.

Section 631 of the Communications Act of 1934 (47 U.S.C. 551) is amended—

(1) in subsection (c)(2)—

(A) in subparagraph (B), by striking ''or'';

(B) in subparagraph (C), by striking the period at the end and inserting''; or''; and

(C) by inserting at the end the following:

''(D) authorized under chapters 119, 121, or 206 of title 18, United States Code, except that such disclosure shall not include records revealing customer cable television viewing activity.''; and

(2) in subsection (h) by striking ''A governmental entity'' and inserting ''Except as provided in subsection (c)(2)(D), a governmental entity''.

SEC. 212. EMERGENCY DISCLOSURE OF ELECTRONIC COMMUNICATIONS TO PROTECT LIFE AND LIMB.

(a) DISCLOSURE OF CONTENTS.—

(1) IN GENERAL.—Section 2702 of title 18, United States Code, is amended—

(A) by striking the section heading and inserting the following:

''§ 2702. Voluntary disclosure of customer communications or records'';

(B) in subsection (a)—

(i) in paragraph (2)(A), by striking ''and'' at the end;

(ii) in paragraph (2)(B), by striking the period and inserting ''; and''; and

(iii) by inserting after paragraph (2) the following:

''(3) a provider of remote computing service or electronic communication service to the public shall not knowingly divulge a record or other information pertaining to a subscriber to or customer of such service (not including the contents of communications covered by paragraph (1) or (2)) to any governmental entity.'';

(C) in subsection (b), by striking ''EXCEPTIONS.—A person or entity'' and inserting ''EXCEPTIONS FOR DISCLOSURE OF COMMUNICATIONS.— A provider described in subsection (a)'';

(D) in subsection (b)(6)—

(i) in subparagraph (A)(ii), by striking ''or'';

(ii) in subparagraph (B), by striking the period and inserting ''; or''; and

(iii) by adding after subparagraph (B) the following:

''(C) if the provider reasonably believes that an emergency involving immediate danger of death or serious physical injury to any person requires disclosure of the information without delay.''; and

(E) by inserting after subsection (b) the following:

''(c) EXCEPTIONS FOR DISCLOSURE OF CUSTOMER RECORDS.—A provider described in subsection (a) may divulge a record or other information pertaining to a subscriber to or customer of such service (not including the contents of communications covered by subsection (a)(1) or (a)(2))—

''(1) as otherwise authorized in section 2703;

''(2) with the lawful consent of the customer or subscriber;

''(3) as may be necessarily incident to the rendition of the service or to the protection of the rights or property of the provider of that service;

''(4) to a governmental entity, if the provider reasonably believes that an emergency involving immediate danger of death or serious physical injury to any person justifies disclosure of the information; or

''(5) to any person other than a governmental entity.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 121 of title 18, United States Code, is amended by striking the item relating to section 2702 and inserting the following:

''2702. Voluntary disclosure of customer communications or records.''.

(b) REQUIREMENTS FOR GOVERNMENT ACCESS.—

(1) IN GENERAL.—Section 2703 of title 18, United States Code, is amended—

(A) by striking the section heading and inserting the following:

''§ 2703. Required disclosure of customer communications or records'';

(B) in subsection (c) by redesignating paragraph (2) as paragraph (3);

(C) in subsection (c)(1)—

(i) by striking ''(A) Except as provided in subparagraph (B), a provider of electronic communication service or remote computing service may'' and inserting ''A governmental entity may require a provider of electronic communication service or remote computing service to'';

(ii) by striking ''covered by subsection (a) or (b) of this section) to any person other than a governmental entity.

''(B) A provider of electronic communication service or remote computing service shall disclose a record or other information pertaining to a subscriber to or customer of such service (not including the contents of communications covered by subsection (a) or (b) of this section) to a governmental entity'' and inserting '')'';

(iii) by redesignating subparagraph (C) as paragraph (2);

(iv) by redesignating clauses (i), (ii), (iii), and (iv) as subparagraphs (A), (B), (C), and (D), respectively;

(v) in subparagraph (D) (as redesignated) by striking the period and inserting ''; or''; and

(vi) by inserting after subparagraph (D) (as redesignated) the following:

''(E) seeks information under paragraph (2).''; and

(D) in paragraph (2) (as redesignated) by striking ''subparagraph (B)'' and insert ''paragraph (1)''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 121 of title 18, United States Code, is amended by striking the item relating to section 2703 and inserting the following:

''2703. Required disclosure of customer communications or records.''.

SEC. 213. AUTHORITY FOR DELAYING NOTICE OF THE EXECUTION OF A WARRANT.

Section 3103a of title 18, United States Code, is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''In addition''; and

(2) by adding at the end the following:

''(b) DELAY.—With respect to the issuance of any warrant or court order under this section, or any other rule of law, to search for and seize any property or material that constitutes evidence of a criminal offense in violation of the laws of the United States, any notice required, or that may be required, to be given may be delayed if—

''(1) the court finds reasonable cause to believe that providing immediate notification of the execution of the warrant may have an adverse result (as defined in section 2705);

''(2) the warrant prohibits the seizure of any tangible property, any wire or electronic communication (as defined in section 2510), or, except as expressly provided in chapter 121, any stored wire or electronic information, except where the court finds reasonable necessity for the seizure; and

''(3) the warrant provides for the giving of such notice within a reasonable period of its execution, which period may thereafter be extended by the court for good cause shown.''.

SEC. 214. PEN REGISTER AND TRAP AND TRACE AUTHORITY UNDER FISA.

(a) APPLICATIONS AND ORDERS.—Section 402 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1842) is amended—

(1) in subsection (a)(1), by striking ''for any investigation to gather foreign intelligence information or information concerning international terrorism'' and inserting ''for any investigation to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution'';

(2) by amending subsection (c)(2) to read as follows:

''(2) a certification by the applicant that the information likely to be obtained is relevant to an ongoing investigation to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution.'';

(3) by striking subsection (c)(3); and

(4) by amending subsection (d)(2)(A) to read as follows:

''(A) shall specify—

''(i) the identity, if known, of the person who is the subject of the investigation;

''(ii) the identity, if known, of the person to whom is leased or in whose name is listed the telephone line or other facility to which the pen register or trap and trace device is to be attached or applied;

''(iii) the attributes of the communications to which the order applies, such as the number or other identifier, and, if known, the location of the telephone line or other facility to which the pen register or trap and trace device is to be attached or applied and, in the case of a trap and trace device, the geographic limits of the trap and trace order.''.

(b) AUTHORIZATION DURING EMERGENCIES.—Section 403 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1843) is amended—

(1) in subsection (a), by striking ''foreign intelligence information or information concerning international terrorism'' and inserting ''information to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution''; and

(2) in subsection (b)(1), by striking ''foreign intelligence information or information concerning international terrorism'' and inserting ''information to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution''.

SEC. 215. ACCESS TO RECORDS AND OTHER ITEMS UNDER THE FOREIGN INTELLIGENCE SURVEILLANCE ACT.

Title V of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1861 et seq.) is amended by striking sections 501 through 503 and inserting the following:

''SEC. 501. ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS.

''(a)(1) The Director of the Federal Bureau of Investigation or a designee of the Director (whose rank shall be no lower than Assistant Special Agent in Charge) may make an application for an order requiring the production of any tangible things (including books, records, papers, documents, and other items) for an investigation to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution.

''(2) An investigation conducted under this section shall—

''(A) be conducted under guidelines approved by the Attorney General under Executive Order 12333 (or a successor order); and

''(B) not be conducted of a United States person solely upon the basis of activities protected by the first amendment to the Constitution of the United States.

''(b) Each application under this section—

''(1) shall be made to—

''(A) a judge of the court established by section 103(a); or

''(B) a United States Magistrate Judge under chapter 43 of title 28, United States Code, who is publicly designated by the Chief Justice of the United States to have the power to hear applications and grant orders for the production of tangible things under this section on behalf of a judge of that court; and

''(2) shall specify that the records concerned are sought for an authorized investigation conducted in accordance with subsection (a)(2) to protect against international terrorism or clandestine intelligence activities.

''(c)(1) Upon an application made pursuant to this section, the judge shall enter an ex parte order as requested, or as modified, approving the release of records if the judge finds that the application meets the requirements of this section.

''(2) An order under this subsection shall not disclose that it is issued for purposes of an investigation described in subsection (a).

''(d) No person shall disclose to any other person (other than those persons necessary to produce the tangible things under this section) that the Federal Bureau of Investigation has sought or obtained tangible things under this section.

''(e) A person who, in good faith, produces tangible things under an order pursuant to this section shall not be liable to any other person for such production. Such production shall not be deemed to constitute a waiver of any privilege in any other proceeding or context.

''SEC. 502. CONGRESSIONAL OVERSIGHT.

''(a) On a semiannual basis, the Attorney General shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all requests for the production of tangible things under section 402.

''(b) On a semiannual basis, the Attorney General shall provide to the Committees on the Judiciary of the House of Representatives and the Senate a report setting forth with respect to the preceding 6-month period—

''(1) the total number of applications made for orders approving requests for the production of tangible things under section 402; and

''(2) the total number of such orders either granted, modified, or denied.''.

SEC. 216. MODIFICATION OF AUTHORITIES RELATING TO USE OF PEN REGISTERS AND TRAP AND TRACE DEVICES.

(a) GENERAL LIMITATIONS.—Section 3121(c) of title 18, United States Code, is amended—

(1) by inserting ''or trap and trace device'' after ''pen register'';

(2) by inserting '', routing, addressing,'' after ''dialing''; and

(3) by striking ''call processing'' and inserting ''the processing and transmitting of wire or electronic communications so as not to include the contents of any wire or electronic communications''.

(b) ISSUANCE OF ORDERS.—

(1) IN GENERAL.—Section 3123(a) of title 18, United States Code, is amended to read as follows:

''(a) IN GENERAL.—

''(1) ATTORNEY FOR THE GOVERNMENT.—Upon an application made under section 3122(a)(1), the court shall enter an ex parte order authorizing the installation and use of a pen register or trap and trace device anywhere within the United States, if the court finds that the attorney for the Government has certified to the court that the information likely to be obtained by such installation and use is relevant to an ongoing criminal investigation. The order, upon service of that order, shall apply to any person or entity providing wire or electronic communication service in the United States whose assistance may facilitate the execution of the order. Whenever such an order is served on any person or entity not specifically named in the order, upon request of such person or entity, the attorney for the Government or law enforcement or investigative officer that is serving the order shall provide written or electronic certification that the order applies to the person or entity being served.

''(2) STATE INVESTIGATIVE OR LAW ENFORCEMENT OFFICER.—Upon an application made under section 3122(a)(2), the court shall enter an ex parte order authorizing the installation and use of a pen register or trap and trace device within the jurisdiction of the court, if the court finds that the State law enforcement or investigative officer has certified to the court that the information likely to be obtained by such installation and use is relevant to an ongoing criminal investigation.''.

(2) CONTENTS OF ORDER.—Section 3123(b)(1) of title 18, United States Code, is amended—

(A) in subparagraph (A)—

(i) by inserting ''or other facility'' after ''telephone line''; and

(ii) by inserting before the semicolon at the end ''or applied''; and

(B) by striking subparagraph (C) and inserting the following:

''(C) the attributes of the communications to which the order applies, including the number or other identifier and, if known, the location of the telephone line or other facility to which the pen register or trap and trace device is to be attached or applied, and, in the case of an order authorizing installation and use of a trap and trace device under subsection (a)(2), the geographic limits of the order; and''.

(3) NONDISCLOSURE REQUIREMENTS.—Section 3123(d)(2) of title 18, United States Code, is amended—

(A) by inserting ''or other facility'' after ''the line''; and

(B) by striking '', or who has been ordered by the court'' and inserting ''or applied, or who is obligated by the order''.

(c) DEFINITIONS.—

(1) COURT OF COMPETENT JURISDICTION.—Section 3127(2) of title 18, United States Code, is amended by striking subparagraph (A) and inserting the following:

''(A) any district court of the United States (including a magistrate judge of such a court) or any United States court of appeals having jurisdiction over the offense being investigated; or''.

(2) PEN REGISTER.—Section 3127(3) of title 18, United States Code, is amended—

(A) by striking ''electronic or other impulses'' and all that follows through ''is attached'' and inserting ''dialing, routing, addressing, or signaling information transmitted by an instrument or facility from which a wire or electronic communication is transmitted, provided, however, that such information shall not include the contents of any communication''; and

(B) by inserting ''or process'' after ''device'' each place it appears.

(3) TRAP AND TRACE DEVICE.—Section 3127(4) of title 18, United States Code, is amended—

(A) by striking ''of an instrument'' and all that follows through the semicolon and inserting ''or other dialing, routing, addressing, and signaling information reasonably likely to identify the source of a wire or electronic communication, provided, however, that such information shall not include the contents of any communication;''; and

(B) by inserting ''or process'' after ''a device''.

(4) CONFORMING AMENDMENT.—Section 3127(1) of title 18, United States Code, is amended—

(A) by striking ''and''; and

(B) by inserting '', and 'contents'' after ''electronic communication service''.

(5) TECHNICAL AMENDMENT.—Section 3124(d) of title 18, United States Code, is amended by striking ''the terms of''.

SEC. 217. INTERCEPTION OF COMPUTER TRESPASSER COMMUNICATIONS.

Chapter 119 of title 18, United States Code, is amended—

(1) in section 2510—

(A) in paragraph (17), by striking ''and'' at the end;

(B) in paragraph (18), by striking the period and inserting a semicolon; and

(C) by inserting after paragraph (18) the following:

''(19) 'protected computer' has the meaning set forth in section 1030; and

''(20) 'computer trespasser'—

''(A) means a person who accesses a protected computer without authorization and thus has no reasonable expectation of privacy in any communication transmitted to, through, or from the protected computer; and

''(B) does not include a person known by the owner or operator of the protected computer to have an existing contractual relationship with the owner or operator of the protected computer for access to all or part of the protected computer.''; and

(2) in section 2511(2), by inserting at the end the following:

''(i) It shall not be unlawful under this chapter for a person acting under color of law to intercept the wire or electronic communications of a computer trespasser, if—

''(i) the owner or operator of the protected computer authorizes the interception of the

computer trespasser's communications on the protected computer;

''(ii) the person acting under color of law is lawfully engaged in an investigation;

''(iii) the person acting under color of law has reasonable grounds to believe that the contents of the computer trespasser's communications will be relevant to the investigation; and

''(iv) such interception does not acquire communications other than those transmitted to or from the computer trespasser.''.

SEC. 218. FOREIGN INTELLIGENCE INFORMATION.

Sections 104(a)(7)(B) and section 303(a)(7)(B) (50 U.S.C. 1804(a)(7)(B) and 1823(a)(7)(B)) of the Foreign Intelligence Surveillance Act of 1978 are each amended by striking ''the purpose'' and inserting ''a significant purpose''.

SEC. 219. SINGLE-JURISDICTION SEARCH WARRANTS FOR TERRORISM.

Rule 41(a) of the Federal Rules of Criminal Procedure is amended by inserting after ''executed'' the following: ''and (3) in an investigation of domestic terrorism or international terrorism (as defined in section 2331 of title 18, United States Code), by a Federal magistrate judge in any district in which activities related to the terrorism may have occurred, for a search of property or for a person within or outside the district''.

SEC. 220. NATIONWIDE SERVICE OF SEARCH WARRANTS FOR ELECTRONIC EVIDENCE.

Chapter 121 of title 18, United States Code, is amended—

(1) in section 2703, by striking ''under the Federal Rules of Criminal Procedure'' every place it appears and inserting ''using the procedures described in the Federal Rules of Criminal Procedure by a court with jurisdiction over the offense under investigation''; and

(2) in section 2711—

(A) in paragraph (1), by striking ''and'';

(B) in paragraph (2), by striking the period and inserting ''; and''; and

(C) by inserting at the end the following:

''(3) the term 'court of competent jurisdiction' has the meaning assigned by section 3127, and includes any Federal court within that definition, without geographic limitation.''.

SEC. 221. TRADE SANCTIONS.

(a) IN GENERAL.—The Trade Sanctions Reform and Export Enhancement Act of 2000 (Public Law 106–387; 114 Stat. 1549A–67) is amended—

(1) by amending section 904(2)(C) to read as follows:

''(C) used to facilitate the design, development, or production of chemical or biological weapons, missiles, or weapons of mass destruction.'';

(2) in section 906(a)(1)—

(A) by inserting '', the Taliban or the territory of Afghanistan controlled by the Taliban,'' after ''Cuba''; and

(B) by inserting '', or in the territory of Afghanistan controlled by the Taliban,'' after ''within such country''; and

(3) in section 906(a)(2), by inserting '', or to any other entity in Syria or North Korea'' after ''Korea''.

(b) APPLICATION OF THE TRADE SANCTIONS REFORM AND EXPORT ENHANCEMENT ACT.—Nothing in the Trade Sanctions Reform and Export Enhancement Act of 2000 shall limit the application or scope of any law establishing criminal or civil penalties, including any executive order or regulation promulgated pursuant to such laws (or similar or successor laws), for the unlawful export of any agricultural commodity, medicine, or medical device to—

(1) a foreign organization, group, or person designated pursuant to Executive Order 12947 of June 25, 1995;

(2) a Foreign Terrorist Organization pursuant to the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132);

(3) a foreign organization, group, or person designated pursuant to Executive Order 13224 (September 23, 2001);

(4) any narcotics trafficking entity designated pursuant to Executive Order 12978 (October 21, 1995) or the Foreign Narcotics Kingpin Designation Act (Public Law 106–120); or

(5) any foreign organization, group, or persons subject to any restriction for its involvement in weapons of mass destruction or missile proliferation.

SEC. 222. ASSISTANCE TO LAW ENFORCEMENT AGENCIES.

Nothing in this Act shall impose any additional technical obligation or requirement on a provider of wire or electronic communication service or other person to furnish facilities or technical assistance. A provider of a wire or electronic communication service, landlord, custodian, or other person who furnishes facilities or technical assistance pursuant to section 216 shall be reasonably compensated for such reasonable expenditures incurred in providing such facilities or assistance.

TITLE III—INTERNATIONAL MONEY LAUNDERING ABATEMENT AND ANTI-TERRORIST FINANCING ACT OF 2001.

SEC. 301. SHORT TITLE.

This title may be cited as the ''International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001''.

SEC. 302. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) money laundering, estimated by the International Monetary Fund to amount to between 2 and 5 percent of global gross domestic product, which is at least $600,000,000,000 annually, provides the financial fuel that permits transnational criminal enterprises to conduct and expand their operations to the detriment of the safety and security of American citizens;

(2) money laundering, and the defects in financial transparency on which money launderers rely, are critical to the financing of global terrorism and the provision of funds for terrorist attacks;

(3) money launderers subvert legitimate financial mechanisms and banking relationships by using them as protective covering for the movement of criminal proceeds and the financing of crime and terrorism, and, by so doing, can threaten the safety of United States citizens and undermine the integrity of United States financial institutions and of the global financial and trading systems upon which prosperity and growth depend;

(4) certain jurisdictions outside of the United States that offer ''offshore'' banking and related facilities designed to provide anonymity, coupled with special tax advantages and weak financial supervisory and enforcement regimes, provide essential tools to disguise ownership and movement of criminal funds, derived from, or used to commit, offenses ranging from narcotics trafficking, terrorism, arms smuggling, and trafficking in human beings, to financial frauds that prey on law-abiding citizens;

(5) transactions involving such offshore jurisdictions make it difficult for law enforcement officials and regulators to follow the trail of money earned by criminals, organized international criminal enterprises, and global terrorist organizations;

(6) correspondent banking facilities are one of the banking mechanisms susceptible in some circumstances to manipulation by foreign banks to permit the laundering of funds by hiding the identity of real parties in interest to financial transactions;

(7) private banking services can be susceptible to manipulation by money launderers, for example corrupt foreign government officials, particularly if those services include the creation of offshore accounts and facilities for large personal funds transfers to channel funds into accounts around the globe;

(8) United States anti-money laundering efforts are impeded by outmoded and inadequate statutory provisions that make investigations, prosecutions, and forfeitures more difficult, particularly in cases in which money laundering involves foreign persons, foreign banks, or foreign countries;

(9) the ability to mount effective countermeasures to international money launderers requires national, as well as bilateral and multilateral action, using tools specially designed for that effort; and

(10) the Basle Committee on Banking Regulation and Supervisory Practices and the Financial Action Task Force on Money Laundering, of both of which the United States is a member, have each adopted international anti-money laundering principles and recommendations.

(b) PURPOSES.—The purposes of this title are—

(1) to increase the strength of United States measures to prevent, detect, and prosecute international money laundering and the financing of terrorism;

(2) to ensure that—

(A) banking transactions and financial relationships and the conduct of such transactions and relationships, do not contravene the purposes of subchapter II of chapter 53 of title 31, United States Code, section 21 of the Federal Deposit Insurance Act, or chapter 2 of title I of Public Law 91–508 (84 Stat. 1116), or facilitate the evasion of any such provision; and

(B) the purposes of such provisions of law continue to be fulfilled, and that such provisions of law are effectively and efficiently administered;

(3) to strengthen the provisions put into place by the Money Laundering Control Act of 1986 (18 U.S.C. 981 note), especially with respect to crimes by non-United States nationals and foreign financial institutions;

(4) to provide a clear national mandate for subjecting to special scrutiny those foreign jurisdictions, financial institutions operating outside of the United States, and classes of international transactions that pose particular, identifiable opportunities for criminal abuse;

(5) to provide the Secretary of the Treasury (in this title referred to as the ''Secretary'') with broad discretion, subject to the safeguards provided by the Administrative Procedures Act under title 5, United States Code, to take measures tailored to the particular money laundering problems presented by specific foreign jurisdictions, financial institutions operating outside of the United States, and classes of international transactions;

(6) to ensure that the employment of such measures by the Secretary permits appropriate opportunity for comment by affected financial institutions;

(7) to provide guidance to domestic financial institutions on particular foreign jurisdictions, financial institutions operating outside of the United States, and classes of international transactions that are of primary money laundering concern to the United States Government;

(8) to ensure that the forfeiture of any assets in connection with the anti-terrorist efforts of the United States permits for adequate challenge consistent with providing due process rights;

(9) to clarify the terms of the safe harbor from civil liability for filing suspicious activity reports;

(10) to strengthen the authority of the Secretary to issue and administer geographic targeting orders, and to clarify that violations of such orders or any other requirement imposed under the authority contained in chapter 2 of title I of Public Law 91–508 and subchapters II and III of chapter 53 of title 31, United States Code, may result in criminal and civil penalties;

(11) to ensure that all appropriate elements of the financial services industry are subject to appropriate requirements to report potential money laundering transactions to proper authorities, and that jurisdictional disputes do not hinder examination of compliance by financial institutions with relevant reporting requirements;

(12) to fix responsibility for high level coordination of the anti-money laundering efforts of the Department of the Treasury;

(13) to strengthen the ability of financial institutions to maintain the integrity of their employee population; and

(14) to strengthen measures to prevent the use of the United States financial system for personal gain by corrupt foreign officials and to facilitate the repatriation of any stolen assets to the citizens of countries to whom such assets belong.

SEC. 303. 4-YEAR CONGRESSIONAL REVIEW-EXPEDITED CONSIDERATION.

(a) IN GENERAL.—Effective on and after the first day of fiscal year 2005, the provisions of this title and the amendments made by this title shall terminate if the Congress enacts a joint resolution, the text after the resolving clause of which is as follows: ''That provisions of the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, and the amendments made thereby, shall no longer have the force of law.''.

(b) EXPEDITED CONSIDERATION.—Any joint resolution submitted pursuant to this section shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Control Act of 1976. For the purpose of expediting the consideration and enactment of a joint resolution under this section, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee, shall be treated as highly privileged in the House of Representatives.

Subtitle A—International Counter Money Laundering and Related Measures

SEC. 311. SPECIAL MEASURES FOR JURISDICTIONS, FINANCIAL INSTITUTIONS, OR INTERNATIONAL TRANSACTIONS OF PRIMARY MONEY LAUNDERING CONCERN.

(a) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, is amended by inserting after section 5318 the following new section:

''SEC. 5318A. SPECIAL MEASURES FOR JURISDICTIONS, FINANCIAL INSTITUTIONS, OR INTERNATIONAL TRANSACTIONS OF PRIMARY MONEY LAUNDERING CONCERN.

''(a) INTERNATIONAL COUNTER-MONEY LAUNDERING REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary may require domestic financial institutions and domestic financial agencies to take 1 or more of the special measures described in subsection (b) if the Secretary finds that reasonable grounds exist for concluding that a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts is of primary money laundering concern, in accordance with subsection (c).

''(2) FORM OF REQUIREMENT.—The special measures described in—

''(A) subsection (b) may be imposed in such sequence or combination as the Secretary shall determine;

''(B) paragraphs (1) through (4) of subsection (b) may be imposed by regulation, order, or otherwise as permitted by law; and

''(C) subsection (b)(5) may be imposed only by regulation.

''(3) DURATION OF ORDERS; RULEMAKING.—Any order by which a special measure described in paragraphs (1) through (4) of subsection (b) is imposed (other than an order described in section 5326)—

''(A) shall be issued together with a notice of proposed rulemaking relating to the imposition of such special measure; and

''(B) may not remain in effect for more than 120 days, except pursuant to a rule promulgated on or before the end of the 120-day period beginning on the date of issuance of such order.

''(4) PROCESS FOR SELECTING SPECIAL MEASURES.—In selecting which special measure or measures to take under this subsection, the Secretary—

''(A) shall consult with the Chairman of the Board of Governors of the Federal Reserve System, any other appropriate Federal banking agency, as defined in section 3 of the Federal Deposit Insurance Act, the Securities and Exchange Commission, the National Credit Union Administration Board, and in the sole discretion of the Secretary such other agencies and interested parties as the Secretary may find to be appropriate; and

''(B) shall consider—

''(i) whether similar action has been or is being taken by other nations or multilateral groups;

''(ii) whether the imposition of any particular special measure would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States; and

''(iii) the extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system, or on legitimate business activities involving the particular jurisdiction, institution, or class of transactions.

''(5) NO LIMITATION ON OTHER AUTHORITY.—This section shall not be construed as superseding or otherwise restricting any other authority granted to the Secretary, or to any other agency, by this subchapter or otherwise.

''(b) SPECIAL MEASURES.—The special measures referred to in subsection (a), with respect to a jurisdiction outside of the United States, financial institution operating outside of the United States, class of transaction within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts are as follows:

''(1) RECORDKEEPING AND REPORTING OF CERTAIN FINANCIAL TRANSACTIONS.—

''(A) IN GENERAL.—The Secretary may require any domestic financial institution or domestic financial agency to maintain records, file reports, or both, concerning the aggregate amount of transactions, or concerning each transaction, with respect to a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts if the Secretary finds any such jurisdiction, institution, or class of transactions to be of primary money laundering concern.

''(B) FORM OF RECORDS AND REPORTS.—Such records and reports shall be made and retained at such time, in such manner, and for such period of time, as the Secretary shall determine, and shall include such information as the Secretary may determine, including—

''(i) the identity and address of the participants in a transaction or relationship, including the identity of the originator of any funds transfer;

''(ii) the legal capacity in which a participant in any transaction is acting;

''(iii) the identity of the beneficial owner of the funds involved in any transaction, in accordance with such procedures as the Secretary determines to be reasonable and practicable to obtain and retain the information; and

''(iv) a description of any transaction.

''(2) INFORMATION RELATING TO BENEFICIAL OWNERSHIP.—In addition to any other requirement under any other provision of law, the Secretary may require any domestic financial institution or domestic financial agency to take such steps as the Secretary may determine to be reasonable and practicable to obtain and retain information concerning the beneficial ownership of any account opened or maintained in the United States by a foreign person (other than a foreign entity whose shares are subject to public reporting requirements or are listed and traded on a regulated exchange or trading market), or a representative of such a foreign person, that involves a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts if the Secretary finds any such jurisdiction, institution, or transaction to be of primary money laundering concern.

''(3) INFORMATION RELATING TO CERTAIN PAYABLE-THROUGH ACCOUNTS.—If the Secretary finds a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, or 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States to be of primary money laundering concern, the Secretary may require any domestic financial institution or domestic financial agency that opens or maintains a payable-through account in the United States for a foreign financial institution involving any such jurisdiction or any such financial institution operating outside of the United States, or a payable through account through which any such transaction may be conducted, as a condition of opening or maintaining such account—

''(A) to identify each customer (and representative of such customer) of such financial institution who is permitted to use, or whose transactions are routed through, such payable-through account; and

''(B) to obtain, with respect to each such customer (and each such representative), information that is substantially comparable to that which the depository institution obtains in the ordinary course of business with respect to its customers residing in the United States.

''(4) INFORMATION RELATING TO CERTAIN CORRESPONDENT ACCOUNTS.—If the Secretary finds a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, or 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States to be of primary money laundering concern, the Secretary may require any domestic financial institution or domestic financial agency that opens or maintains a correspondent account in the United States for a foreign financial institution involving any such jurisdiction or any such financial institution operating outside of the United States, or a correspondent account through

which any such transaction may be conducted, as a condition of opening or maintaining such account—

''(A) to identify each customer (and representative of such customer) of any such financial institution who is permitted to use, or whose transactions are routed through, such correspondent account; and

''(B) to obtain, with respect to each such customer (and each such representative), information that is substantially comparable to that which the depository institution obtains in the ordinary course of business with respect to its customers residing in the United States.

''(5) PROHIBITIONS OR CONDITIONS ON OPENING OR MAINTAINING CERTAIN CORRESPONDENT OR PAYABLE-THROUGH ACCOUNTS.—If the Secretary finds a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, or 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States to be of primary money laundering concern, the Secretary, in consultation with the Secretary of State, the Attorney General, and the Chairman of the Board of Governors of the Federal Reserve System, may prohibit, or impose conditions upon, the opening or maintaining in the United States of a correspondent account or payable-through account by any domestic financial institution or domestic financial agency for or on behalf of a foreign banking institution, if such correspondent account or payable-through account involves any such jurisdiction or institution, or if any such transaction may be conducted through such correspondent account or payable-through account.

''(c) CONSULTATIONS AND INFORMATION TO BE CONSIDERED IN FINDING JURISDICTIONS, INSTITUTIONS, TYPES OF ACCOUNTS, OR TRANSACTIONS TO BE OF PRIMARY MONEY LAUNDERING CONCERN.—

''(1) IN GENERAL.—In making a finding that reasonable grounds exist for concluding that a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts is of primary money laundering concern so as to authorize the Secretary to take 1 or more of the special measures described in subsection (b), the Secretary shall consult with the Secretary of State, and the Attorney General.

''(2) ADDITIONAL CONSIDERATIONS.—In making a finding described in paragraph (1), the Secretary shall consider in addition such information as the Secretary determines to be relevant, including the following potentially relevant factors:

''(A) JURISDICTIONAL FACTORS.—In the case of a particular jurisdiction—

''(i) evidence that organized criminal groups, international terrorists, or both, have transacted business in that jurisdiction;

(ii) the extent to which that jurisdiction or financial institutions operating in that jurisdiction offer bank secrecy or special tax or regulatory advantages to nonresidents or nondomiciliaries of that jurisdiction;

''(iii) the substance and quality of administration of the bank supervisory and countermoney laundering laws of that jurisdiction;

''(iv) the relationship between the volume of financial transactions occurring in that jurisdiction and the size of the economy of the jurisdiction;

''(v) the extent to which that jurisdiction is characterized as a tax haven or offshore banking or secrecy haven by credible international organizations or multilateral expert groups;

''(vi) whether the United States has a mutual legal assistance treaty with that jurisdiction, and the experience of United States law enforcement officials, regulatory officials, and tax administrators in obtaining information about transactions originating in or routed through or to such jurisdiction; and

''(vii) the extent to which that jurisdiction is characterized by high levels of official or institutional corruption.

''(B) INSTITUTIONAL FACTORS.—In the case of a decision to apply 1 or more of the special measures described in subsection (b) only to a financial institution or institutions, or to a transaction or class of transactions, or to a type of account, or to all 3, within or involving a particular jurisdiction—

''(i) the extent to which such financial institutions, transactions, or types of accounts are used to facilitate or promote money laundering in or through the jurisdiction;

''(ii) the extent to which such institutions, transactions, or types of accounts are used for legitimate business purposes in the jurisdiction; and

''(iii) the extent to which such action is sufficient to ensure, with respect to transactions involving the jurisdiction and institutions operating in the jurisdiction, that the purposes of this subchapter continue to be fulfilled, and to guard against international money laundering and other financial crimes.

''(d) NOTIFICATION OF SPECIAL MEASURES INVOKED BY THE SECRETARY.—Not later than 10 days after the date of any action taken by the Secretary under subsection (a)(1), the Secretary shall notify, in writing, the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate of any such action.

''(e) STUDY AND REPORT ON FOREIGN NATIONALS.—

''(1) STUDY.—The Secretary, in consultation with the appropriate Federal agencies, including the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), shall conduct a study to—

''(A) determine the most timely and effective way to require foreign nationals to provide domestic financial institutions and agencies with appropriate and accurate information, comparable to that which is required of United States nationals, concerning their identity, address, and other related information necessary to enable such institutions and agencies to comply with the reporting, information gathering, and other requirements of this section; and

''(B) consider the need for requiring foreign nationals to apply for and obtain an identification number, similar to what is required for United States citizens through a social security number or tax identification number, prior to opening an account with a domestic financial institution.

''(2) REPORT.—The Secretary shall report to Congress not later than 180 days after the date of enactment of this section with recommendations for implementing such action referred to in paragraph (1) in a timely and effective manner.

''(f) DEFINITIONS.—Notwithstanding any other provision of this subchapter, for purposes of this section, the following definitions shall apply:

''(1) BANK DEFINITIONS.—The following definitions shall apply with respect to a bank:

''(A) ACCOUNT.—The term 'account'—

''(i) means a formal banking or business relationship established to provide regular services, dealings, and other financial transactions; and

''(ii) includes a demand deposit, savings deposit, or other transaction or asset account and a credit account or other extension of credit.

''(B) CORRESPONDENT ACCOUNT.—The term 'correspondent account' means an account established to receive deposits from, make payments on behalf of a foreign financial institution, or handle other financial transactions related to such institution.

''(C) PAYABLE-THROUGH ACCOUNT.—The term 'payable-through account' means an account, including a transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act), opened at a depository institution by a foreign financial institution by means of which the foreign financial institution permits its customers to engage, either directly or through a subaccount, in banking activities usual in connection with the business of banking in the United States.

''(2) DEFINITIONS APPLICABLE TO INSTITUTIONS OTHER THAN BANKS.—With respect to any financial institution other than a bank, the Secretary shall, after consultation with the Securities and Exchange Commission, define by regulation the term 'account', and shall include within the meaning of that term, to the extent, if any, that the Secretary deems appropriate, arrangements similar to payable-through and correspondent accounts.

''(3) REGULATORY DEFINITION.—The Secretary shall promulgate regulations defining beneficial ownership of an account for purposes of this section. Such regulations shall address issues related to an individual's authority to fund, direct, or manage the account (including, without limitation, the power to direct payments into or out of the account), and an individual's material interest in the income or corpus of the account, and shall ensure that the identification of individuals under this section does not extend to any individual whose beneficial interest in the income or corpus of the account is immaterial.''.

''(4) OTHER TERMS.—The Secretary may, by regulation, further define the terms in paragraphs (1) and (2) and define other terms for the purposes of this section, as the Secretary deems appropriate.''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5318 the following new item:

''5318A. Special measures for jurisdictions, financial institutions, or international transactions of primary money laundering concern.''.

SEC. 312. SPECIAL DUE DILIGENCE FOR CORRESPONDENT ACCOUNTS AND PRIVATE BANKING ACCOUNTS.

(a) IN GENERAL.—Section 5318 of title 31, United States Code, is amended by adding at the end the following:

''(i) DUE DILIGENCE FOR UNITED STATES PRIVATE BANKING AND CORRESPONDENT BANK ACCOUNTS INVOLVING FOREIGN PERSONS.—

''(1) IN GENERAL.—Each financial institution that establishes, maintains, administers, or manages a private banking account or a correspondent account in the United States for a non-United States person, including a foreign individual visiting the United States, or a representative of a non-United States person shall establish appropriate, specific, and, where necessary, enhanced, due diligence policies, procedures, and controls to detect and report instances of money laundering through those accounts.

''(2) MINIMUM STANDARDS FOR CORRESPONDENT ACCOUNTS.—

''(A) IN GENERAL.—Subparagraph (B) shall apply if a correspondent account is requested or maintained by, or on behalf of, a foreign bank operating—

''(i) under an offshore banking license; or

''(ii) under a banking license issued by a foreign country that has been designated—

''(I) as noncooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization of which the United States is a member; or

''(II) by the Secretary as warranting special measures due to money laundering concerns.

''(B) POLICIES, PROCEDURES, AND CONTROLS.—The enhanced due diligence policies, procedures, and controls required under paragraph (1) shall, at a minimum, ensure that the financial institution in the United States takes reasonable steps—

''(i) to ascertain for any such foreign bank, the shares of which are not publicly traded, the identity of each of the owners of the foreign bank, and the nature and extent of the ownership interest of each such owner;

''(ii) to conduct enhanced scrutiny of such account to guard against money laundering and report any suspicious transactions under section 5318(g); and

''(iii) to ascertain whether such foreign bank provides correspondent accounts to other foreign banks and, if so, the identity of those foreign banks and related due diligence information, as appropriate under paragraph (1).

''(3) MINIMUM STANDARDS FOR PRIVATE BANKING ACCOUNTS.—If a private banking account is requested or maintained by, or on behalf of, a non-United States person, then the due diligence policies, procedures, and controls required under paragraph (1) shall, at a minimum, ensure that the financial institution takes reasonable steps—

''(A) to ascertain the identity of the nominal and beneficial owners of, and the source of funds deposited into, such account as needed to guard against money laundering and report any suspicious transactions under section 5318(g); and

''(B) to conduct enhanced scrutiny of any such account that is requested or maintained by, or on behalf of, a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure, to prevent, detect, and report transactions that may involve the proceeds of foreign corruption.

''(4) DEFINITIONS AND REGULATORY AUTHORITY.—

''(A) OFFSHORE BANKING LICENSE.—For purposes of this subsection, the term 'offshore banking license' means a license to conduct banking activities which, as a condition of the license, prohibits the licensed entity from conducting banking activities with the citizens of, or with the local currency of, the country which issued the license.

''(B) REGULATORY AUTHORITY.—The Secretary, in consultation with the appropriate functional regulators of the affected financial institutions, may further delineate, by regulation the due diligence policies, procedures, and controls required under paragraph (1).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect beginning 180 days after the date of enactment of this Act with respect to accounts covered by section 5318(i) of title 31, United States Code, as added by this section, that are opened before, on, or after the date of enactment of this Act.

SEC. 313. PROHIBITION ON UNITED STATES CORRESPONDENT ACCOUNTS WITH FOREIGN SHELL BANKS.

(a) IN GENERAL.—Section 5318 of title 31, United States Code, is amended by inserting after section 5318(i), as added by section 312 of this title, the following:

''(j) PROHIBITION ON UNITED STATES CORRESPONDENT ACCOUNTS WITH FOREIGN SHELL BANKS.—

''(1) IN GENERAL.—A financial institution described in subparagraphs (A) through (F) of section 5312(a)(2) (in this subsection referred to as a 'covered financial institution') shall not establish, maintain, administer, or manage a correspondent account in the United States for, or on behalf of, a foreign bank that does not have a physical presence in any country.

''(2) PREVENTION OF INDIRECT SERVICE TO FOREIGN SHELL BANKS.—A covered financial institution shall take reasonable steps to ensure that any correspondent account established, maintained, administered, or managed by that covered financial institution in the United States for a foreign bank is not being used by that foreign bank to indirectly provide banking services to another foreign bank that does not have a physical presence in any country. The Secretary shall, by regulation, delineate the reasonable steps necessary to comply with this paragraph.

''(3) EXCEPTION.—Paragraphs (1) and (2) do not prohibit a covered financial institution from providing a correspondent account to a foreign bank, if the foreign bank—

''(A) is an affiliate of a depository institution, credit union, or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable; and

''(B) is subject to supervision by a banking authority in the country regulating the affiliated depository institution, credit union, or foreign bank described in subparagraph (A), as applicable.

''(4) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'affiliate' means a foreign bank that is controlled by or is under common control with a depository institution, credit union, or foreign bank; and

''(B) the term 'physical presence' means a place of business that—

''(i) is maintained by a foreign bank;

''(ii) is located at a fixed address (other than solely an electronic address) in a country in which the foreign bank is authorized to conduct banking activities, at which location the foreign bank—

''(I) employs 1 or more individuals on a full-time basis; and

''(II) maintains operating records related to its banking activities; and

''(iii) is subject to inspection by the banking authority which licensed the foreign bank to conduct banking activities.''.

SEC. 314. COOPERATIVE EFFORTS TO DETER MONEY LAUNDERING.

(a) COOPERATION AMONG FINANCIAL INSTITUTIONS, REGULATORY AUTHORITIES, AND LAW ENFORCEMENT AUTHORITIES.—

(1) REGULATIONS.—The Secretary shall, within 120 days after the date of enactment of this Act, adopt regulations to encourage further cooperation among financial institutions, their regulatory authorities, and law enforcement authorities, with the specific purpose of encouraging regulatory authorities and law enforcement authorities to share with financial institutions information regarding individuals, entities, and organizations engaged in or reasonably suspected based on credible evidence of engaging in terrorist acts or money laundering activities.

(2) CONTENTS.—The regulations promulgated pursuant to paragraph (1) may—

(A) require that each financial institution designate 1 or more persons to receive information concerning, and to monitor accounts of individuals, entities, and organizations identified, pursuant to paragraph (1); and

(B) further establish procedures for the protection of the shared information, consistent with the capacity, size, and nature of the institution to which the particular procedures apply.

(3) RULE OF CONSTRUCTION.—The receipt of information by a financial institution pursuant to this section shall not relieve or otherwise modify the obligations of the financial institution with respect to any other person or account.

(4) USE OF INFORMATION.—Information received by a financial institution pursuant to this section shall not be used for any purpose other than identifying and reporting on activities that may involve terrorist acts or money laundering activities.

(b) COOPERATION AMONG FINANCIAL INSTITUTIONS.—Upon notice provided to the Secretary, 2 or more financial institutions and any association of financial institutions may share information with one another regarding individuals, entities, organizations, and countries suspected of possible terrorist or money laundering activities. A financial institution or association that transmits, receives, or shares such information for the purposes of identifying and reporting activities that may involve terrorist acts or money laundering activities shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such disclosure or for any failure to provide notice of such disclosure to the person who is the subject of such disclosure, or any other person identified in the disclosure, except where such transmission, receipt, or sharing violates this section or regulations promulgated pursuant to this section.

(c) RULE OF CONSTRUCTION.—Compliance with the provisions of this title requiring or allowing financial institutions and any association of financial institutions to disclose or share information regarding individuals, entities, and organizations engaged in or suspected of engaging in terrorist acts or money laundering activities shall not constitute a violation of the provisions of title V of the Gramm-Leach-Bliley Act (Public Law 106–102).

SEC. 315. INCLUSION OF FOREIGN CORRUPTION OFFENSES AS MONEY LAUNDERING CRIMES.

Section 1956(c)(7)(B) of title 18, United States Code, is amended—

(1) in clause (ii), by striking ''or destruction of property by means of explosive or fire'' and inserting ''destruction of property by means of explosive or fire, or a crime of violence (as defined in section 16)'';

(2) in clause (iii), by striking ''1978'' and inserting ''1978)''; and

(3) by adding at the end the following:

''(iv) bribery of a public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official;

''(v) smuggling or export control violations involving—

''(I) an item controlled on the United States Munitions List established under section 38 of the Arms Export Control Act (22 U.S.C. 2778); or

''(II) an item controlled under regulations under the Export Administration Act of 1977 (15 C.F.R. Parts 730–774);

''(vi) an offense with respect to which the United States would be obligated by a multilateral treaty, either to extradite the alleged offender or to submit the case for prosecution, if the offender were found within the territory of the United States; or

''(vii) the misuse of funds of, or provided by, the International Monetary Fund in contravention of the Articles of Agreement of the Fund or the misuse of funds of, or provided by, any other international financial

institution (as defined in section 1701(c)(2) of the International Financial Institutions Act (22 U.S.C. 262r(c)(2)) in contravention of any treaty or other international agreement to which the United States is a party, including any articles of agreement of the members of the international financial institution;''.

SEC. 316. ANTI-TERRORIST FORFEITURE PROTECTION.

(a) RIGHT TO CONTEST.—An owner of property that is confiscated under any provision of law relating to the confiscation of assets of suspected international terrorists, may contest that confiscation by filing a claim in the manner set forth in the Federal Rules of Civil Procedure (Supplemental Rules for Certain Admiralty and Maritime Claims), and asserting as an affirmative defense that—

(1) the property is not subject to confiscation under such provision of law; or

(2) the innocent owner provisions of section 983(d) of title 18, United States Code, apply to the case.

(b) EVIDENCE.—In considering a claim filed under this section, the Government may rely on evidence that is otherwise inadmissible under the Federal Rules of Evidence, if a court determines that such reliance is necessary to protect the national security interests of the United States.

(c) OTHER REMEDIES.—Nothing in this section shall limit or otherwise affect any other remedies that may be available to an owner of property under section 983 of title 18, United States Code, or any other provision of law.

SEC. 317. LONG-ARM JURISDICTION OVER FOREIGN MONEY LAUNDERERS.

Section 1956(b) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and moving the margins 2 ems to the right;

(2) by inserting after ''(b)'' the following: ''PENALTIES.—

''(1) IN GENERAL.—'';

(3) by inserting '', or section 1957'' after ''or (a)(3)''; and

(4) by adding at the end the following:

''(2) JURISDICTION OVER FOREIGN PERSONS.—For purposes of adjudicating an action filed or enforcing a penalty ordered under this section, the district courts shall have jurisdiction over any foreign person, including any financial institution authorized under the laws of a foreign country, against whom the action is brought, if service of process upon the foreign person is made under the Federal Rules of Civil Procedure or the laws of the country in which the foreign person is found, and—

''(A) the foreign person commits an offense under subsection (a) involving a financial transaction that occurs in whole or in part in the United States;

''(B) the foreign person converts, to his or her own use, property in which the United States has an ownership interest by virtue of the entry of an order of forfeiture by a court of the United States; or

''(C) the foreign person is a financial institution that maintains a bank account at a financial institution in the United States.

''(3) COURT AUTHORITY OVER ASSETS.—A court described in paragraph (2) may issue a pretrial restraining order or take any other action necessary to ensure that any bank account or other property held by the defendant in the United States is available to satisfy a judgment under this section.

''(4) FEDERAL RECEIVER.—

''(A) IN GENERAL.—A court described in paragraph (2) may appoint a Federal Receiver, in accordance with subparagraph (B) of this paragraph, to collect, marshal, and take custody, control, and possession of all assets of the defendant, wherever located, to satisfy a judgment under this section or section 981, 982, or 1957, including an order of restitution to any victim of a specified unlawful activity.

''(B) APPOINTMENT AND AUTHORITY.—A Federal Receiver described in subparagraph (A)—

''(i) may be appointed upon application of a Federal prosecutor or a Federal or State regulator, by the court having jurisdiction over the defendant in the case;

''(ii) shall be an officer of the court, and the powers of the Federal Receiver shall include the powers set out in section 754 of title 28, United States Code; and

''(iii) shall have standing equivalent to that of a Federal prosecutor for the purpose of submitting requests to obtain information regarding the assets of the defendant—

''(I) from the Financial Crimes Enforcement Network of the Department of the Treasury; or

''(II) from a foreign country pursuant to a mutual legal assistance treaty, multilateral agreement, or other arrangement for international law enforcement assistance, provided that such requests are in accordance with the policies and procedures of the Attorney General.''.

SEC. 318. LAUNDERING MONEY THROUGH A FOREIGN BANK.

Section 1956(c) of title 18, United States Code, is amended by striking paragraph (6) and inserting the following:

''(6) the term 'financial institution' includes—

''(A) any financial institution, as defined in section 5312(a)(2) of title 31, United States Code, or the regulations promulgated thereunder; and

''(B) any foreign bank, as defined in section 1 of the International Banking Act of 1978 (12 U.S.C. 3101).''.

SEC. 319. FORFEITURE OF FUNDS IN UNITED STATES INTERBANK ACCOUNTS.

(a) FORFEITURE FROM UNITED STATES INTERBANK ACCOUNT.—Section 981 of title 18, United States Code, is amended by adding at the end the following:

''(k) INTERBANK ACCOUNTS.—

''(1) IN GENERAL.—

''(A) IN GENERAL.—For the purpose of a forfeiture under this section or under the Controlled Substances Act (21 U.S.C. 801 et seq.), if funds are deposited into an account at a foreign bank, and that foreign bank has an interbank account in the United States with a covered financial institution (as defined in section 5318A of title 31), the funds shall be deemed to have been deposited into the interbank account in the United States, and any restraining order, seizure warrant, or arrest warrant in rem regarding the funds may be served on the covered financial institution, and funds in the interbank account, up to the value of the funds deposited into the account at the foreign bank, may be restrained, seized, or arrested.

''(B) AUTHORITY TO SUSPEND.—The Attorney General, in consultation with the Secretary, may suspend or terminate a forfeiture under this section if the Attorney General determines that a conflict of law exists between the laws of the jurisdiction in which the foreign bank is located and the laws of the United States with respect to liabilities arising from the restraint, seizure, or arrest of such funds, and that such suspension or termination would be in the interest of justice and would not harm the national interests of the United States.

''(2) NO REQUIREMENT FOR GOVERNMENT TO TRACE FUNDS.—If a forfeiture action is brought against funds that are restrained, seized, or arrested under paragraph (1), it shall not be necessary for the Government to establish that the funds are directly traceable to the funds that were deposited into the foreign bank, nor shall it be necessary for the Government to rely on the application of section 984.

''(3) CLAIMS BROUGHT BY OWNER OF THE FUNDS.—If a forfeiture action is instituted against funds restrained, seized, or arrested under paragraph (1), the owner of the funds deposited into the account at the foreign bank may contest the forfeiture by filing a claim under section 983.

''(4) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

''(A) INTERBANK ACCOUNT.—The term 'interbank account' has the same meaning as in section 984(c)(2)(B).

''(B) OWNER.—

''(i) IN GENERAL.—Except as provided in clause (ii), the term 'owner'—

''(I) means the person who was the owner, as that term is defined in section 983(d)(6), of the funds that were deposited into the foreign bank at the time such funds were deposited; and

''(II) does not include either the foreign bank or any financial institution acting as an intermediary in the transfer of the funds into the interbank account.

''(ii) EXCEPTION.—The foreign bank may be considered the 'owner' of the funds (and no other person shall qualify as the owner of such funds) only if—

''(I) the basis for the forfeiture action is wrongdoing committed by the foreign bank; or

''(II) the foreign bank establishes, by a preponderance of the evidence, that prior to the restraint, seizure, or arrest of the funds, the foreign bank had discharged all or part of its obligation to the prior owner of the funds, in which case the foreign bank shall be deemed the owner of the funds to the extent of such discharged obligation.''.

(b) BANK RECORDS.—Section 5318 of title 31, United States Code, is amended by adding at the end the following:

''(k) BANK RECORDS RELATED TO ANTI-MONEY LAUNDERING PROGRAMS.—

''(1) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

''(A) APPROPRIATE FEDERAL BANKING AGENCY.—The term 'appropriate Federal banking agency' has the same meaning as in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

''(B) INCORPORATED TERMS.—The terms 'correspondent account', 'covered financial institution', and 'foreign bank' have the same meanings as in section 5318A.

''(2) 120-HOUR RULE.—Not later than 120 hours after receiving a request by an appropriate Federal banking agency for information related to anti-money laundering compliance by a covered financial institution or a customer of such institution, a covered financial institution shall provide to the appropriate Federal banking agency, or make available at a location specified by the representative of the appropriate Federal banking agency, information and account documentation for any account opened, maintained, administered or managed in the United States by the covered financial institution.

''(3) FOREIGN BANK RECORDS.—

''(A) SUMMONS OR SUBPOENA OF RECORDS.—

''(i) IN GENERAL.—The Secretary or the Attorney General may issue a summons or subpoena to any foreign bank that maintains a correspondent account in the United States and request records related to such correspondent account, including records maintained outside of the United States relating to the deposit of funds into the foreign bank.

''(ii) SERVICE OF SUMMONS OR SUBPOENA.—A summons or subpoena referred to in clause (i) may be served on the foreign bank in the

United States if the foreign bank has a representative in the United States, or in a foreign country pursuant to any mutual legal assistance treaty, multilateral agreement, or other request for international law enforcement assistance.

''(B) ACCEPTANCE OF SERVICE.—

''(i) MAINTAINING RECORDS IN THE UNITED STATES.—Any covered financial institution which maintains a correspondent account in the United States for a foreign bank shall maintain records in the United States identifying the owners of such foreign bank and the name and address of a person who resides in the United States and is authorized to accept service of legal process for records regarding the correspondent account.

''(ii) LAW ENFORCEMENT REQUEST.—Upon receipt of a written request from a Federal law enforcement officer for information required to be maintained under this paragraph, the covered financial institution shall provide the information to the requesting officer not later than 7 days after receipt of the request.

''(C) TERMINATION OF CORRESPONDENT RELATIONSHIP.—

''(i) TERMINATION UPON RECEIPT OF NOTICE.—A covered financial institution shall terminate any correspondent relationship with a foreign bank not later than 10 business days after receipt of written notice from the Secretary or the Attorney General that the foreign bank has failed—

''(I) to comply with a summons or subpoena issued under subparagraph (A); or

''(II) to initiate proceedings in a United States court contesting such summons or subpoena.

''(ii) LIMITATION ON LIABILITY.—A covered financial institution shall not be liable to any person in any court or arbitration proceeding for terminating a correspondent relationship in accordance with this subsection.

''(iii) FAILURE TO TERMINATE RELATIONSHIP.—Failure to terminate a correspondent relationship in accordance with this subsection shall render the covered financial institution liable for a civil penalty of up to $10,000 per day until the correspondent relationship is so terminated.''.

(c) GRACE PERIOD.—Financial institutions affected by section 5333 of title 31 United States Code, as amended by this title, shall have 60 days from the date of enactment of this Act to comply with the provisions of that section.

(d) REQUESTS FOR RECORDS.—Section 3486(a)(1) of title 18, United States Code, is amended by striking '', or (II) a Federal offense involving the sexual exploitation or abuse of children'' and inserting '', (II) a Federal offense involving the sexual exploitation or abuse of children, or (III) money laundering, in violation of section 1956, 1957, or 1960 of this title''.

(e) AUTHORITY TO ORDER CONVICTED CRIMINAL TO RETURN PROPERTY LOCATED ABROAD.—

(1) FORFEITURE OF SUBSTITUTE PROPERTY.—Section 413(p) of the Controlled Substances Act (21 U.S.C. 853) is amended to read as follows:

''(p) FORFEITURE OF SUBSTITUTE PROPERTY.—

''(1) IN GENERAL.—Paragraph (2) of this subsection shall apply, if any property described in subsection (a), as a result of any act or omission of the defendant—

''(A) cannot be located upon the exercise of due diligence;

''(B) has been transferred or sold to, or deposited with, a third party;

''(C) has been placed beyond the jurisdiction of the court;

''(D) has been substantially diminished in value; or

''(E) has been commingled with other property which cannot be divided without difficulty.

''(2) SUBSTITUTE PROPERTY.—In any case described in any of subparagraphs (A) through (E) of paragraph (1), the court shall order the forfeiture of any other property of the defendant, up to the value of any property described in subparagraphs (A) through (E) of paragraph (1), as applicable.

''(3) RETURN OF PROPERTY TO JURISDICTION.—In the case of property described in paragraph (1)(C), the court may, in addition to any other action authorized by this subsection, order the defendant to return the property to the jurisdiction of the court so that the property may be seized and forfeited.''.

(2) PROTECTIVE ORDERS.—Section 413(e) of the Controlled Substances Act (21 U.S.C. 853(e)) is amended by adding at the end the following:

''(4) ORDER TO REPATRIATE AND DEPOSIT.—

''(A) IN GENERAL.—Pursuant to its authority to enter a pretrial restraining order under this section, including its authority to restrain any property forfeitable as substitute assets, the court may order a defendant to repatriate any property that may be seized and forfeited, and to deposit that property pending trial in the registry of the court, or with the United States Marshals Service or the Secretary of the Treasury, in an interest-bearing account, if appropriate.

''(B) FAILURE TO COMPLY.—Failure to comply with an order under this subsection, or an order to repatriate property under subsection (p), shall be punishable as a civil or criminal contempt of court, and may also result in an enhancement of the sentence of the defendant under the obstruction of justice provision of the Federal Sentencing Guidelines.''.

SEC. 320. PROCEEDS OF FOREIGN CRIMES.

Section 981(a)(1)(B) of title 18, United States Code, is amended to read as follows:

''(B) Any property, real or personal, within the jurisdiction of the United States, constituting, derived from, or traceable to, any proceeds obtained directly or indirectly from an offense against a foreign nation, or any property used to facilitate such an offense, if the offense—

''(i) involves the manufacture, importation, sale, or distribution of a controlled substance (as that term is defined for purposes of the Controlled Substances Act), or any other conduct described in section 1956(c)(7)(B);

''(ii) would be punishable within the jurisdiction of the foreign nation by death or imprisonment for a term exceeding 1 year; and

''(iii) would be punishable under the laws of the United States by imprisonment for a term exceeding 1 year, if the act or activity constituting the offense had occurred within the jurisdiction of the United States.''.

SEC. 321. EXCLUSION OF ALIENS INVOLVED IN MONEY LAUNDERING.

Section 212(a)(2) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(a)(2)) is amended by adding at the end the following:

''(I) MONEY LAUNDERING ACTIVITIES.—Any alien who the consular officer or the Attorney General knows or has reason to believe is or has been engaged in activities which, if engaged in within the United States would constitute a violation of section 1956 or 1957 of title 18, United States Code, or has been a knowing assister, abettor, conspirator, or colluder with others in any such illicit activity is inadmissible.''.

SEC. 322. CORPORATION REPRESENTED BY A FUGITIVE.

Section 2466 of title 18, United States Code, is amended by designating the present matter as subsection (a), and adding at the end the following:

''(b) Subsection (a) may be applied to a claim filed by a corporation if any majority shareholder, or individual filing the claim on behalf of the corporation is a person to whom subsection (a) applies.''.

SEC. 323. ENFORCEMENT OF FOREIGN JUDGMENTS.

Section 2467 of title 28, United States Code, is amended—

(1) in subsection (d), by adding the following after paragraph (2):

''(3) PRESERVATION OF PROPERTY.—To preserve the availability of property subject to a foreign forfeiture or confiscation judgment, the Government may apply for, and the court may issue, a restraining order pursuant to section 983(j) of title 18, United States Code, at any time before or after an application is filed pursuant to subsection (c)(1). The court, in issuing the restraining order—

''(A) may rely on information set forth in an affidavit describing the nature of the proceeding investigation underway in the foreign country, and setting forth a reasonable basis to believe that the property to be restrained will be named in a judgment of forfeiture at the conclusion of such proceeding; or

''(B) may register and enforce a restraining order has been issued by a court of competent jurisdiction in the foreign country and certified by the Attorney General pursuant to subsection (b)(2).

No person may object to the restraining order on any ground that is the subject to parallel litigation involving the same property that is pending in a foreign court.'';

(2) in subsection (b)(1)(C), by striking ''establishing that the defendant received notice of the proceedings in sufficient time to enable the defendant'' and inserting ''establishing that the foreign nation took steps, in accordance with the principles of due process, to give notice of the proceedings to all persons with an interest in the property in sufficient time to enable such persons'';

(3) in subsection (d)(1)(D), by striking ''the defendant in the proceedings in the foreign court did not receive notice'' and inserting ''the foreign nation did not take steps, in accordance with the principles of due process, to give notice of the proceedings to a person with an interest in the property''; and

(4) in subsection (a)(2)(A), by inserting '', any violation of foreign law that would constitute a violation of an offense for which property could be forfeited under Federal law if the offense were committed in the United States'' after ''United Nations Convention''.

SEC. 324. INCREASE IN CIVIL AND CRIMINAL PENALTIES FOR MONEY LAUNDERING.

(a) CIVIL PENALTIES.—Section 5321(a) of title 31, United States Code, is amended by adding at the end the following:

''(7) PENALTIES FOR INTERNATIONAL COUNTER MONEY LAUNDERING VIOLATIONS.—The Secretary may impose a civil money penalty in an amount equal to not less than 2 times the amount of the transaction, but not more than $1,000,000, on any financial institution or agency that violates any provision of subsection (i) or (j) of section 5318 or any special measures imposed under section 5318A.''.

(b) CRIMINAL PENALTIES.—Section 5322 of title 31, United States Code, is amended by adding at the end the following:

''(d) A financial institution or agency that violates any provision of subsection (i) or (j) of section 5318, or any special measures imposed under section 5318A, or any regulation prescribed under subsection (i) or (j) of section 5318 or section 5318A, shall be fined in an amount equal to not less than 2 times the amount of the transaction, but not more than $1,000,000.''.

SEC. 325. REPORT AND RECOMMENDATION.

Not later than 30 months after the date of enactment of this Act, the Secretary, in consultation with the Attorney General, the Federal banking agencies (as defined at section 3 of the Federal Deposit Insurance Act), the Securities and Exchange Commission, and such other agencies as the Secretary may determine, at the discretion of the Secretary, shall evaluate the operations of the provisions of this subtitle and make recommendations to Congress as to any legislative action with respect to this subtitle as the Secretary may determine to be necessary or advisable.

SEC. 326. REPORT ON EFFECTIVENESS.

The Secretary shall report annually on measures taken pursuant to this subtitle, and shall submit the report to the Committee on Banking, Housing, and Urban Affairs of the Senate and to the Committee on Financial Services of the House of Representatives.

SEC. 327. CONCENTRATION ACCOUNTS AT FINANCIAL INSTITUTIONS.

Section 5318(h) of title 31, United States Code, as amended by section 202 of this title, is amended by adding at the end the following:

''(3) CONCENTRATION ACCOUNTS.—The Secretary may issue regulations under this subsection that govern maintenance of concentration accounts by financial institutions, in order to ensure that such accounts are not used to prevent association of the identity of an individual customer with the movement of funds of which the customer is the direct or beneficial owner, which regulations shall, at a minimum—

''(A) prohibit financial institutions from allowing clients to direct transactions that move their funds into, out of, or through the concentration accounts of the financial institution;

''(B) prohibit financial institutions and their employees from informing customers of the existence of, or the means of identifying, the concentration accounts of the institution; and

''(C) require each financial institution to establish written procedures governing the documentation of all transactions involving a concentration account, which procedures shall ensure that, any time a transaction involving a concentration account commingles funds belonging to 1 or more customers, the identity of, and specific amount belonging to, each customer is documented.''.

Subtitle B—Currency Transaction Reporting Amendments and Related Improvements

SEC. 331. AMENDMENTS RELATING TO REPORTING OF SUSPICIOUS ACTIVITIES.

(a) AMENDMENT RELATING TO CIVIL LIABILITY IMMUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title 31, United States Code, is amended to read as follows:

''(3) LIABILITY FOR DISCLOSURES.—

''(A) IN GENERAL.—Any financial institution that makes a voluntary disclosure of any possible violation of law or regulation to a government agency or makes a disclosure pursuant to this subsection or any other authority, and any director, officer, employee, or agent of such institution who makes, or requires another to make any such disclosure, shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such disclosure or for any failure to provide notice of such disclosure to the person who is the subject of such disclosure or any other person identified in the disclosure.

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as creating—

''(i) any inference that the term 'person', as used in such subparagraph, may be construed more broadly than its ordinary usage so as to include any government or agency of government; or

''(ii) any immunity against, or otherwise affecting, any civil or criminal action brought by any government or agency of government to enforce any constitution, law, or regulation of such government or agency.''.

(b) PROHIBITION ON NOTIFICATION OF DISCLOSURES.—Section 5318(g)(2) of title 31, United States Code, is amended to read as follows:

''(2) NOTIFICATION PROHIBITED.—

''(A) IN GENERAL.—If a financial institution or any director, officer, employee, or agent of any financial institution, voluntarily or pursuant to this section or any other authority, reports a suspicious transaction to a government agency—

''(i) the financial institution, director, officer, employee, or agent may not notify any person involved in the transaction that the transaction has been reported; and

''(ii) no officer or employee of the Federal Government or of any State, local, tribal, or territorial government within the United States, who has any knowledge that such report was made may disclose to any person involved in the transaction that the transaction has been reported, other than as necessary to fulfill the official duties of such officer or employee.

''(B) DISCLOSURES IN CERTAIN EMPLOYMENT REFERENCES.—

''(i) RULE OF CONSTRUCTION.—Notwithstanding the application of subparagraph (A) in any other context, subparagraph (A) shall not be construed as prohibiting any financial institution, or any director, officer, employee, or agent of such institution, from including information that was included in a report to which subparagraph (A) applies—

''(I) in a written employment reference that is provided in accordance with section 18(v) of the Federal Deposit Insurance Act in response to a request from another financial institution, except that such written reference may not disclose that such information was also included in any such report or that such report was made; or

''(II) in a written termination notice or employment reference that is provided in accordance with the rules of the self-regulatory organizations registered with the Securities and Exchange Commission, except that such written notice or reference may not disclose that such information was also included in any such report or that such report was made.

''(ii) INFORMATION NOT REQUIRED.—Clause (i) shall not be construed, by itself, to create any affirmative duty to include any information described in clause (i) in any employment reference or termination notice referred to in clause (i).''.

SEC. 332. ANTI-MONEY LAUNDERING PROGRAMS.

Section 5318(h) of title 31, United States Code, is amended to read as follows:

''(h) ANTI-MONEY LAUNDERING PROGRAMS.—

''(1) IN GENERAL.—In order to guard against money laundering through financial institutions, each financial institution shall establish anti-money laundering programs, including, at a minimum—

''(A) the development of internal policies, procedures, and controls;

''(B) the designation of a compliance officer;

''(C) an ongoing employee training program; and

''(D) an independent audit function to test programs.

''(2) REGULATIONS.—The Secretary may prescribe minimum standards for programs established under paragraph (1), and may exempt from the application of those standards any financial institution that is not subject to the provisions of the rules contained in part 103 of title 31, of the Code of Federal Regulations, or any successor rule thereto, for so long as such financial institution is not subject to the provisions of such rules.''.

SEC. 333. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC TARGETING ORDERS AND CERTAIN RECORDKEEPING REQUIREMENTS, AND LENGTHENING EFFECTIVE PERIOD OF GEOGRAPHIC TARGETING ORDERS.

(a) CIVIL PENALTY FOR VIOLATION OF TARGETING ORDER.—Section 5321(a)(1) of title 31, United States Code, is amended—

(1) by inserting ''or order issued'' after ''subchapter or a regulation prescribed''; and

(2) by inserting '', or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508,'' after ''sections 5314 and 5315)''.

(b) CRIMINAL PENALTIES FOR VIOLATION OF TARGETING ORDER.—Section 5322 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''or order issued'' after ''willfully violating this subchapter or a regulation prescribed''; and

(B) by inserting '', or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508,'' after ''under section 5315 or 5324)''; and

(2) in subsection (b)—

(A) by inserting ''or order issued'' after ''willfully violating this subchapter or a regulation prescribed''; and

(B) by inserting ''or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508,'' after ''under section 5315 or 5324),''.

(c) STRUCTURING TRANSACTIONS TO EVADE TARGETING ORDER OR CERTAIN RECORDKEEPING REQUIREMENTS.—Section 5324(a) of title 31, United States Code, is amended—

(1) by inserting a comma after ''shall'';

(2) by striking ''section—'' and inserting ''section, the reporting or recordkeeping requirements imposed by any order issued under section 5326, or the recordkeeping requirements imposed by any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508—'';

(3) in paragraph (1), by inserting '', to file a report or to maintain a record required by an order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508'' after ''regulation prescribed under any such section''; and

(4) in paragraph (2), by inserting '', to file a report or to maintain a record required by any order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508,'' after ''regulation prescribed under any such section''.

(d) LENGTHENING EFFECTIVE PERIOD OF GEOGRAPHIC TARGETING ORDERS.—Section 5326(d) of title 31, United States Code, is amended by striking ''more than 60'' and inserting ''more than 180''.

SEC. 334. ANTI-MONEY LAUNDERING STRATEGY.

(b) STRATEGY.—Section 5341(b) of title 31, United States Code, is amended by adding at the end the following:

''(12) DATA REGARDING FUNDING OF TERRORISM.—Data concerning money laundering

efforts related to the funding of acts of international terrorism, and efforts directed at the prevention, detection, and prosecution of such funding.''.

SEC. 335. AUTHORIZATION TO INCLUDE SUSPICIONS OF ILLEGAL ACTIVITY IN WRITTEN EMPLOYMENT REFERENCES.

Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end the following:

''(v) WRITTEN EMPLOYMENT REFERENCES MAY CONTAIN SUSPICIONS OF INVOLVEMENT IN ILLEGAL ACTIVITY.—

''(1) AUTHORITY TO DISCLOSE INFORMATION.—Notwithstanding any other provision of law, any insured depository institution, and any director, officer, employee, or agent of such institution, may disclose in any written employment reference relating to a current or former institution-affiliated party of such institution which is provided to another insured depository institution in response to a request from such other institution, information concerning the possible involvement of such institution-affiliated party in potentially unlawful activity.

''(2) INFORMATION NOT REQUIRED.—Nothing in paragraph (1) shall be construed, by itself, to create any affirmative duty to include any information described in paragraph (1) in any employment reference referred to in paragraph (1).

''(3) MALICIOUS INTENT.—Notwithstanding any other provision of this subsection, voluntary disclosure made by an insured depository institution, and any director, officer, employee, or agent of such institution under this subsection concerning potentially unlawful activity that is made with malicious intent, shall not be shielded from liability from the person identified in the disclosure.

''(4) DEFINITION.—For purposes of this subsection, the term 'insured depository institution' includes any uninsured branch or agency of a foreign bank.''.

SEC. 336. BANK SECRECY ACT ADVISORY GROUP.

Section 1564 of the Annunzio-Wylie Anti-Money Laundering Act (31 U.S.C. 5311 note) is amended—

(1) in subsection (a), by inserting '', of nongovernmental organizations advocating financial privacy,'' after ''Drug Control Policy''; and

(2) in subsection (c), by inserting '', other than subsections (a) and (d) of such Act which shall apply'' before the period at the end.

SEC. 337. AGENCY REPORTS ON RECONCILING PENALTY AMOUNTS.

Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury and the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) shall each submit their respective reports to the Congress containing recommendations on possible legislation to conform the penalties imposed on depository institutions (as defined in section 3 of the Federal Deposit Insurance Act) for violations of subchapter II of chapter 53 of title 31, United States Code, to the penalties imposed on such institutions under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818).

SEC. 338. REPORTING OF SUSPICIOUS ACTIVITIES BY SECURITIES BROKERS AND DEALERS; INVESTMENT COMPANY STUDY.

(a) 270-DAY REGULATION DEADLINE.—Not later than 270 days after the date of enactment of this Act, the Secretary of the Treasury, after consultation with the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System, shall issue final regulations requiring registered brokers and dealers to file reports of suspicious financial transactions, consistent with the requirements applicable to financial institutions, and directors, officers, employees, and agents of financial institutions under section 5318(g) of title 31, United States Code.

(b) REPORT ON INVESTMENT COMPANIES.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, Secretary of the Treasury, the Board of Governors of the Federal Reserve System, and the Securities and Exchange Commission shall jointly submit a report to Congress on recommendations for effective regulations to apply the requirements of subchapter II of chapter 53 of title 31, United States Code, to investment companies, pursuant to section 5312(a)(2)(I) of title 31, United States Code.

(2) DEFINITION.—For purposes of this section, the term ''investment company''—

(A) has the same meaning as in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a–3); and

(B) any person that, but for the exceptions provided for in paragraph (1) or (7) of section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)), would be an investment company.

(3) ADDITIONAL RECOMMENDATIONS.—In its report, the Securities and Exchange Commission may make different recommendations for different types of entities covered by this section.

(4) BENEFICIAL OWNERSHIP OF PERSONAL HOLDING COMPANIES.—The report described in paragraph (1) shall also include recommendations as to whether the Secretary should promulgate regulations to treat any corporation or business or other grantor trust whose assets are predominantly securities, bank certificates of deposit, or other securities or investment instruments (other than such as relate to operating subsidiaries of such corporation or trust) and that has 5 or fewer common shareholders or holders of beneficial or other equity interest, as a financial institution within the meaning of that phrase in section 5312(a)(2)(I) and whether to require such corporations or trusts to disclose their beneficial owners when opening accounts or initiating funds transfers at any domestic financial institution.

SEC. 339. SPECIAL REPORT ON ADMINISTRATION OF BANK SECRECY PROVISIONS.

(a) REPORT REQUIRED.—Not later than 6 months after the date of enactment of this Act, the Secretary shall submit a report to the Congress relating to the role of the Internal Revenue Service in the administration of subchapter II of chapter 53 of title 31, United States Code (commonly known as the ''Bank Secrecy Act'').

(b) CONTENTS.—The report required by subsection (a)—

(1) shall specifically address, and contain recommendations concerning—

(A) whether it is advisable to shift the processing of information reporting to the Department of the Treasury under the Bank Secrecy Act provisions to facilities other than those managed by the Internal Revenue Service; and

(B) whether it remains reasonable and efficient, in light of the objective of both anti-money-laundering programs and Federal tax administration, for the Internal Revenue Service to retain authority and responsibility for audit and examination of the compliance of money services businesses and gaming institutions with those Bank Secrecy Act provisions; and

(2) shall, if the Secretary determines that the information processing responsibility or the audit and examination responsibility of the Internal Revenue Service, or both, with respect to those Bank Secrecy Act provisions should be transferred to other agencies, include the specific recommendations of the Secretary regarding the agency or agencies to which any such function should be transferred, complete with a budgetary and resources plan for expeditiously accomplishing the transfer.

SEC. 340. BANK SECRECY PROVISIONS AND ANTI-TERRORIST ACTIVITIES OF UNITED STATES INTELLIGENCE AGENCIES.

(a) AMENDMENT RELATING TO THE PURPOSES OF THE BANK SECRECY ACT.—Section 5311 of title 31, United States Code, is amended by inserting before the period at the end the following: '', or in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism''.

(b) AMENDMENT RELATING TO REPORTING OF SUSPICIOUS ACTIVITIES.—Section 5318(g)(4)(B) of title 31, United States Code, is amended by striking ''or supervisory agency'' and inserting '', supervisory agency, or United States intelligence agency for use in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism''.

(c) AMENDMENT RELATING TO AVAILABILITY OF REPORTS.—Section 5319 of title 31, United States Code, is amended to read as follows:

''§ 5319. Availability of reports

''The Secretary of the Treasury shall make information in a report filed under this subchapter available to an agency, including any State financial institutions supervisory agency or United States intelligence agency, upon request of the head of the agency. The report shall be available for a purpose that is consistent with this subchapter. The Secretary may only require reports on the use of such information by any State financial institutions supervisory agency for other than supervisory purposes or by United States intelligence agencies. However, a report and records of reports are exempt from disclosure under section 552 of title 5.''.

(d) AMENDMENT RELATING TO THE PURPOSES OF THE BANK SECRECY ACT PROVISIONS.—Section 21(a) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(a)) is amended to read as follows:

''(a) CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.—

''(1) FINDINGS.—Congress finds that—

''(A) adequate records maintained by insured depository institutions have a high degree of usefulness in criminal, tax, and regulatory investigations or proceedings, and that, given the threat posed to the security of the Nation on and after the terrorist attacks against the United States on September 11, 2001, such records may also have a high degree of usefulness in the conduct of intelligence or counterintelligence activities, including analysis, to protect against domestic and international terrorism; and

''(B) microfilm or other reproductions and other records made by insured depository institutions of checks, as well as records kept by such institutions, of the identity of persons maintaining or authorized to act with respect to accounts therein, have been of particular value in proceedings described in subparagraph (A).

''(2) PURPOSE.—It is the purpose of this section to require the maintenance of appropriate types of records by insured depository institutions in the United States where such records have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, recognizes that, given the threat posed to the security of the Nation on and after the terrorist attacks against the United States on September 11, 2001, such records may also have a high degree of usefulness in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism.''.

(e) AMENDMENT RELATING TO THE PURPOSES OF THE BANK SECRECY ACT.—Section 123(a) of

Public Law 91–508 (12 U.S.C. 1953(a)) is amended to read as follows:

''(a) REGULATIONS.—If the Secretary determines that the maintenance of appropriate records and procedures by any uninsured bank or uninsured institution, or any person engaging in the business of carrying on in the United States any of the functions referred to in subsection (b), has a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, and that, given the threat posed to the security of the Nation on and after the terrorist attacks against the United States on September 11, 2001, such records may also have a high degree of usefulness in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism, he may by regulation require such bank, institution, or person.''.

(f) AMENDMENTS TO THE RIGHT TO FINANCIAL PRIVACY ACT.—The Right to Financial Privacy Act of 1978 is amended—

(1) in section 1112(a) (12 U.S.C. 3412(a)), by inserting '', or intelligence or counterintelligence activity, investigation or analysis related to international terrorism'' after ''legitimate law enforcement inquiry''; and

(2) in section 1114(a)(1) (12 U.S.C. 3414(a)(1))—

(A) in subparagraph (A), by striking ''or'' at the end;

(B) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(C) a Government authority authorized to conduct investigations of, or intelligence or counterintelligence analyses related to, international terrorism for the purpose of conducting such investigations or analyses.''.

(g) AMENDMENT TO THE FAIR CREDIT REPORTING ACT.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by adding at the end the following new section:

''SEC. 626. DISCLOSURES TO GOVERNMENTAL AGENCIES FOR COUNTERTERRORISM PURPOSES.

''(a) DISCLOSURE.—Notwithstanding section 604 or any other provision of this title, a consumer reporting agency shall furnish a consumer report of a consumer and all other information in a consumer's file to a government agency authorized to conduct investigations of, or intelligence or counterintelligence activities or analysis related to, international terrorism when presented with a written certification by such government agency that such information is necessary for the agency's conduct or such investigation, activity or analysis.

''(b) FORM OF CERTIFICATION.—The certification described in subsection (a) shall be signed by the Secretary of the Treasury.

''(c) CONFIDENTIALITY.—No consumer reporting agency, or officer, employee, or agent of such consumer reporting agency, shall disclose to any person, or specify in any consumer report, that a government agency has sought or obtained access to information under subsection (a).

''(d) RULE OF CONSTRUCTION.—Nothing in section 625 shall be construed to limit the authority of the Director of the Federal Bureau of Investigation under this section.

''(e) SAFE HARBOR.—Notwithstanding any other provision of this subchapter, any consumer reporting agency or agent or employee thereof making disclosure of consumer reports or other information pursuant to this section in good-faith reliance upon a certification of a governmental agency pursuant to the provisions of this section shall not be liable to any person for such disclosure under this subchapter, the constitution of any State, or any law or regulation of any State or any political subdivision of any State.''.

SEC. 341. REPORTING OF SUSPICIOUS ACTIVITIES BY HAWALA AND OTHER UNDERGROUND BANKING SYSTEMS.

(a) DEFINITION FOR SUBCHAPTER.—Section 5312(a)(2)(R) of title 31, United States Code, is amended to read as follows:

''(R) a licensed sender of money or any other person who engages as a business in the transmission of funds, including through an informal value transfer banking system or network of people facilitating the transfer of value domestically or internationally outside of the conventional financial institutions system;''.

(b) MONEY TRANSMITTING BUSINESS.—Section 5330(d)(1)(A) of title 31, United States Code, is amended by inserting before the semicolon the following: ''or any other person who engages as a business in the transmission of funds, including through an informal value transfer banking system or network of people facilitating the transfer of value domestically or internationally outside of the conventional financial institutions system;''.

(d) APPLICABILITY OF RULES.—Section 5318 of title 31, United States Code, as amended by this title, is amended by adding at the end the following:

''(l) APPLICABILITY OF RULES.—Any rules promulgated pursuant to the authority contained in section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b) shall apply, in addition to any other financial institution to which such rules apply, to any person that engages as a business in the transmission of funds, including through an informal value transfer banking system or network of people facilitating the transfer of value domestically or internationally outside of the conventional financial institutions system.''.

(e) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury shall report to Congress on the need for any additional legislation relating to informal value transfer banking systems or networks of people facilitating the transfer of value domestically or internationally outside of the conventional financial institutions system, counter money laundering and regulatory controls relating to underground money movement and banking systems, such as the system referred to as 'hawala', including whether the threshold for the filing of suspicious activity reports under section 5318(g) of title 31, United States Code should be lowered in the case of such systems.

SEC. 342. USE OF AUTHORITY OF UNITED STATES EXECUTIVE DIRECTORS.

(a) ACTION BY THE PRESIDENT.—If the President determines that a particular foreign country has taken or has committed to take actions that contribute to efforts of the United States to respond to, deter, or prevent acts of international terrorism, the Secretary of the Treasury may, consistent with other applicable provisions of law, instruct the United States Executive Director of each international financial institution to use the voice and vote of the Executive Director to support any loan or other utilization of the funds of respective institutions for such country, or any public or private entity within such country.

(b) USE OF VOICE AND VOTE.—The Secretary of the Treasury may instruct the United States Executive Director of each international financial institution to aggressively use the voice and vote of the Executive Director to require an auditing of disbursements at such institutions to ensure that no funds are paid to persons who commit, threaten to commit, or support terrorism.

(c) DEFINITION.—For purposes of this section, the term ''international financial institution'' means an institution described in section 1701(c)(2) of the International Financial Institutions Act (22 U.S.C. 262r(c)(2)).

Subtitle C—Currency Crimes

SEC. 351. BULK CASH SMUGGLING.

(a) FINDINGS.—Congress finds that—

(1) effective enforcement of the currency reporting requirements of chapter 53 of title 31, United States Code (commonly referred to as the Bank Secrecy Act), and the regulations promulgated thereunder, has forced drug dealers and other criminals engaged in cash-based businesses to avoid using traditional financial institutions;

(2) in their effort to avoid using traditional financial institutions, drug dealers, and other criminals are forced to move large quantities of currency in bulk form to and through the airports, border crossings, and other ports of entry where it can be smuggled out of the United States and placed in a foreign financial institution or sold on the black market;

(3) the transportation and smuggling of cash in bulk form may, at the time of enactment of this Act, be the most common form of money laundering, and the movement of large sums of cash is one of the most reliable warning signs of drug trafficking, terrorism, money laundering, racketeering, tax evasion, and similar crimes;

(4) the intentional transportation into or out of the United States of large amounts of currency or monetary instruments, in a manner designed to circumvent the mandatory reporting provisions of chapter 53 of title 31, United States Code, is the equivalent of, and creates the same harm as, the smuggling of goods;

(5) the arrest and prosecution of bulk cash smugglers is an important part of law enforcement's effort to stop the laundering of criminal proceeds, but the couriers who attempt to smuggle the cash out of the United States are typically low-level employees of large criminal organizations, and are easily replaced, and therefore only the confiscation of the smuggled bulk cash can effectively break the cycle of criminal activity of which the laundering of bulk cash is a critical part;

(6) the penalties for violations of the currency reporting requirements of the chapter 53 of title 31, United States Code, are insufficient to provide a deterrent to the laundering of criminal proceeds;

(7) because the only criminal violation under Federal law before the date of enactment of this Act was a reporting offense, the law does not adequately provide for the confiscation of smuggled currency; and

(8) if the smuggling of bulk cash were itself an offense, the cash could be confiscated as the corpus delicti of the smuggling offense.

(b) PURPOSES.—The purposes of this section are—

(1) to make the act of smuggling bulk cash itself a criminal offense;

(2) to authorize forfeiture of any cash or instruments of the smuggling offense;

(3) to emphasize the seriousness of the act of bulk cash smuggling; and

(4) to prescribe guidelines for determining the amount of property subject to such forfeiture in various situations.

(c) BULK CASH SMUGGLING OFFENSE.—

(1) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following:

''§ 5331. Bulk cash smuggling

''(a) CRIMINAL OFFENSE.—

''(1) IN GENERAL.—Whoever, with the intent to evade a currency reporting requirement under section 5316, knowingly conceals more than $10,000 in currency or other monetary instruments on his or her person or in any conveyance, article of luggage, merchandise, or other container, and transports or transfers or attempts to transport or transfer the currency or monetary instruments from a place within the United States to a place

outside of the United States, or from a place outside of the United States to a place within the United States, shall be guilty of a currency smuggling offense and subject to punishment under subsection (b).

''(b) PENALTIES.—

''(1) PRISON TERM.—A person convicted of a currency smuggling offense under subsection (a), or a conspiracy to commit such an offense, shall be imprisoned for not more than 5 years.

''(2) FORFEITURE.—

''(A) IN GENERAL.—In addition to a prison term under paragraph (1), the court, in imposing sentence, shall order that the defendant forfeit to the United States any property, real or personal, involved in the offense, and any property traceable to such property, subject to subsection (d).

''(B) APPLICABILITY OF OTHER LAWS.—The seizure, restraint, and forfeiture of property under this section shall be governed by section 413 of the Controlled Substances Act (21 U.S.C. 853). If the property subject to forfeiture is unavailable, and the defendant has no substitute property that may be forfeited pursuant to section 413(p) of that Act, the court shall enter a personal money judgment against the defendant in an amount equal to the value of the unavailable property.

''(c) SEIZURE OF SMUGGLING CASH.—

''(1) IN GENERAL.—Any property involved in a violation of subsection (a), or a conspiracy to commit such violation, and any property traceable thereto, may be seized and, subject to subsection (d), forfeited to the United States.

''(2) APPLICABLE PROCEDURES.—A seizure and forfeiture under this subsection shall be governed by the procedures governing civil forfeitures under section 981(a)(1)(A) of title 18, United States Code.

''(d) PROPORTIONALITY OF FORFEITURE.—

''(1) MITIGATION.—Upon a showing by the property owner by a preponderance of the evidence that the currency or monetary instruments involved in the offense giving rise to the forfeiture were derived from a legitimate source and were intended for a lawful purpose, the court shall reduce the forfeiture to the maximum amount that is not grossly disproportional to the gravity of the offense.

''(2) CONSIDERATIONS.—In determining the amount of the forfeiture under paragraph (1), the court shall consider all aggravating and mitigating facts and circumstances that have a bearing on the gravity of the offense, including—

''(A) the value of the currency or other monetary instruments involved in the offense;

''(B) efforts by the person committing the offense to structure currency transactions, conceal property, or otherwise obstruct justice; and

''(C) whether the offense is part of a pattern of repeated violations of Federal law.

''(e) RULE OF CONSTRUCTION.—For purposes of subsections (b) and (c), any currency or other monetary instrument that is concealed or intended to be concealed in violation of subsection (a) or a conspiracy to commit such violation, any article, container, or conveyance used or intended to be used to conceal or transport the currency or other monetary instrument, and any other property used or intended to be used to facilitate the offense, shall be considered property involved in the offense.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5330 the following new item:

''5331. Bulk cash smuggling.''.

(d) CURRENCY REPORTING VIOLATIONS.—Section 5317(c) of title 31, United States Code, is amended to read as follows:

''(c) FORFEITURE OF PROPERTY.—

''(1) IN GENERAL.—

''(A) CRIMINAL FORFEITURE.—The court, in imposing sentence for any violation of section 5313, 5316, or 5324, or any conspiracy to commit such violation, shall order the defendant to forfeit all property, real or personal, involved in the offense and any property traceable thereto.

''(B) APPLICABLE PROCEDURES.—Forfeitures under this paragraph shall be governed by the procedures set forth in section 413 of the Controlled Substances Act (21 U.S.C. 853), and the guidelines set forth in paragraph (3) of this subsection.

''(2) CIVIL FORFEITURE.—Any property involved in a violation of section 5313, 5316, or 5324, or any conspiracy to commit such violation, and any property traceable thereto, may be seized and, subject to paragraph (3), forfeited to the United States in accordance with the procedures governing civil forfeitures in money laundering cases pursuant to section 981(a)(1)(A) of title 18, United States Code.

''(3) MITIGATION.—In a forfeiture case under this subsection, upon a showing by the property owner by a preponderance of the evidence that any currency or monetary instruments involved in the offense giving rise to the forfeiture were derived from a legitimate source, and were intended for a lawful purpose, the court shall reduce the forfeiture to the maximum amount that is not grossly disproportional to the gravity of the offense. In determining the amount of the forfeiture, the court shall consider all aggravating and mitigating facts and circumstances that have a bearing on the gravity of the offense. Such circumstances include, but are not limited to, the following: the value of the currency or other monetary instruments involved in the offense; efforts by the person committing the offense to structure currency transactions, conceal property, or otherwise obstruct justice; and whether the offense is part of a pattern of repeated violations.

(e) CONFORMING AMENDMENTS.—Title 18, United States Code, is amended—

(1) in section 981(a)(1)(A) by striking ''of section 5313(a) or 5324(a) of title 31, or''; and

(2) in section 982(a)(1), striking ''of section 5313(a), 5316, or 5324 of title 31, or''.

Subtitle E—Anticorruption Measures

SEC. 361. CORRUPTION OF FOREIGN GOVERNMENTS AND RULING ELITES.

It is the sense of Congress that, in deliberations between the United States Government and any other country on money laundering and corruption issues, the United States Government should—

(1) emphasize an approach that addresses not only the laundering of the proceeds of traditional criminal activity but also the increasingly endemic problem of governmental corruption and the corruption of ruling elites;

(2) encourage the enactment and enforcement of laws in such country to prevent money laundering and systemic corruption;

(3) make clear that the United States will take all steps necessary to identify the proceeds of foreign government corruption which have been deposited in United States financial institutions and return such proceeds to the citizens of the country to whom such assets belong; and

(4) advance policies and measures to promote good government and to prevent and reduce corruption and money laundering, including through instructions to the United States Executive Director of each international financial institution (as defined in section 1701(c) of the International Financial Institutions Act) to advocate such policies as a systematic element of economic reform programs and advice to member governments.

SEC. 362. SUPPORT FOR THE FINANCIAL ACTION TASK FORCE ON MONEY LAUNDERING.

It is the sense of Congress that—

(1) the United States should continue to actively and publicly support the objectives of the Financial Action Task Force on Money Laundering (hereafter in this section referred to as the ''FATF'') with regard to combating international money laundering;

(2) the FATF should identify noncooperative jurisdictions in as expeditious a manner as possible and publicly release a list directly naming those jurisdictions identified;

(3) the United States should support the public release of the list naming noncooperative jurisdictions identified by the FATF;

(4) the United States should encourage the adoption of the necessary international action to encourage compliance by the identified noncooperative jurisdictions; and

(5) the United States should take the necessary countermeasures to protect the United States economy against money of unlawful origin and encourage other nations to do the same.

SEC. 363. TERRORIST FUNDING THROUGH MONEY LAUNDERING.

It is the sense of the Congress that, in deliberations and negotiations between the United States Government and any other country regarding financial, economic, assistance, or defense issues, the United States should encourage such other country—

(1) to take actions which would identify and prevent the transmittal of funds to and from terrorists and terrorist organizations; and

(2) to engage in bilateral and multilateral cooperation with the United States and other countries to identify suspected terrorists, terrorist organizations, and persons supplying funds to and receiving funds from terrorists and terrorist organizations.

TITLE IV—PROTECTING THE BORDER

Subtitle A—Protecting the Northern Border

SEC. 401. ENSURING ADEQUATE PERSONNEL ON THE NORTHERN BORDER.

The Attorney General is authorized to waive any FTE cap on personnel assigned to the Immigration and Naturalization Service to address the national security needs of the United States on the Northern border.

SEC. 402. NORTHERN BORDER PERSONNEL.

There are authorized to be appropriated—

(1) such sums as may be necessary to triple the number of Border Patrol personnel (from the number authorized under current law), and the necessary personnel and facilities to support such personnel, in each State along the Northern Border;

(2) such sums as may be necessary to triple the number of Customs Service personnel (from the number authorized under current law), and the necessary personnel and facilities to support such personnel, at ports of entry in each State along the Northern Border;

(3) such sums as may be necessary to triple the number of INS inspectors (from the number authorized on the date of enactment of this Act), and the necessary personnel and facilities to support such personnel, at ports of entry in each State along the Northern Border; and

(4) an additional $50,000,000 each to the Immigration and Naturalization Service and the United States Customs Service for purposes of making improvements in technology for monitoring the Northern Border and acquiring additional equipment at the Northern Border.

SEC. 403. ACCESS BY THE DEPARTMENT OF STATE AND THE INS TO CERTAIN IDENTIFYING INFORMATION IN THE CRIMINAL HISTORY RECORDS OF VISA APPLICANTS AND APPLICANTS FOR ADMISSION TO THE UNITED STATES.

(a) AMENDMENT OF THE IMMIGRATION AND NATIONALITY ACT.—Section 105 of the Immigration and Nationality Act (8 U.S.C. 1105) is amended—

(1) in the section heading, by inserting ''; DATA EXCHANGE'' after ''SECURITY OFFICERS'';

(2) by inserting ''(a)'' after ''SEC. 105.'';

(3) in subsection (a), by inserting ''and border'' after ''internal'' the second place it appears; and

(4) by adding at the end the following:

''(b)(1) The Attorney General and the Director of the Federal Bureau of Investigation shall provide the Department of State and the Service access to the criminal history record information contained in the National Crime Information Center's Interstate Identification Index (NCIC-III), Wanted Persons File, and to any other files maintained by the National Crime Information Center that may be mutually agreed upon by the Attorney General and the agency receiving the access, for the purpose of determining whether or not a visa applicant or applicant for admission has a criminal history record indexed in any such file.

''(2) Such access shall be provided by means of extracts of the records for placement in the automated visa lookout or other appropriate database, and shall be provided without any fee or charge.

''(3) The Federal Bureau of Investigation shall provide periodic updates of the extracts at intervals mutually agreed upon with the agency receiving the access. Upon receipt of such updated extracts, the receiving agency shall make corresponding updates to its database and destroy previously provided extracts.

''(4) Access to an extract does not entitle the Department of State to obtain the full content of the corresponding automated criminal history record. To obtain the full content of a criminal history record, the Department of State shall submit the applicant's fingerprints and any appropriate fingerprint processing fee authorized by law to the Criminal Justice Information Services Division of the Federal Bureau of Investigation.

''(c) The provision of the extracts described in subsection (b) may be reconsidered by the Attorney General and the receiving agency upon the development and deployment of a more cost-effective and efficient means of sharing the information.

''(d) For purposes of administering this section, the Department of State shall, prior to receiving access to NCIC data but not later than 4 months after the date of enactment of this subsection, promulgate final regulations—

''(1) to implement procedures for the taking of fingerprints; and

''(2) to establish the conditions for the use of the information received from the Federal Bureau of Investigation, in order—

''(A) to limit the redissemination of such information;

''(B) to ensure that such information is used solely to determine whether or not to issue a visa to an alien or to admit an alien to the United States;

''(C) to ensure the security, confidentiality, and destruction of such information; and

''(D) to protect any privacy rights of individuals who are subjects of such information.''.

(b) REPORTING REQUIREMENT.—Not later than 2 years after the date of enactment of this Act, the Attorney General and the Secretary of State jointly shall report to Congress on the implementation of the amendments made by this section.

(c) TECHNOLOGY STANDARD TO CONFIRM IDENTITY.—

(1) IN GENERAL.—The Attorney General and the Secretary of State jointly, through the National Institute of Standards and Technology (NIST), and in consultation with the Secretary of the Treasury and other Federal law enforcement and intelligence agencies the Attorney General or Secretary of State deems appropriate, shall within 2 years after the date of enactment of this section, develop and certify a technology standard that can confirm the identity of a person applying for a United States visa or such person seeking to enter the United States pursuant to a visa.

(2) INTEGRATED.—The technology standard developed pursuant to paragraph (1), shall be the technological basis for a cross-agency, cross-platform electronic system that is a cost-effective, efficient, fully integrated means to share law enforcement and intelligence information necessary to confirm the identity of such persons applying for a United States visa or such person seeking to enter the United States pursuant to a visa.

(3) ACCESSIBLE.—The electronic system described in paragraph (2), once implemented, shall be readily and easily accessible to—

(A) all consular officers responsible for the issuance of visas;

(B) all Federal inspection agents at all United States border inspection points; and

(C) all law enforcement and intelligence officers as determined by regulation to be responsible for investigation or identification of aliens admitted to the United States pursuant to a visa.

(4) REPORT.—Not later than 18 months after the date of enactment of this Act, and every 2 years thereafter, the Attorney General and the Secretary of State shall jointly, in consultation with the Secretary of Treasury, report to Congress describing the development, implementation and efficacy of the technology standard and electronic database system described in this subsection.

(d) STATUTORY CONSTRUCTION.—Nothing in this section, or in any other law, shall be construed to limit the authority of the Attorney General or the Director of the Federal Bureau of Investigation to provide access to the criminal history record information contained in the National Crime Information Center's (NCIC) Interstate Identification Index (NCIC-III), or to any other information maintained by the NCIC, to any Federal agency or officer authorized to enforce or administer the immigration laws of the United States, for the purpose of such enforcement or administration, upon terms that are consistent with the National Crime Prevention and Privacy Compact Act of 1998 (subtitle A of title II of Public Law 105–251; 42 U.S.C. 14611–16) and section 552a of title 5, United States Code.

SEC. 404. LIMITED AUTHORITY TO PAY OVERTIME.

The matter under the headings ''Immigration And Naturalization Service: Salaries and Expenses, Enforcement And Border Affairs'' and ''Immigration And Naturalization Service: Salaries and Expenses, Citizenship And Benefits, Immigration And Program Direction'' in the Department of Justice Appropriations Act, 2001 (as enacted into law by Appendix B (H.R. 5548) of Public Law 106–553 (114 Stat. 2762A–58 to 2762A–59)) is amended by striking the following each place it occurs: ''*Provided*, That none of the funds available to the Immigration and Naturalization Service shall be available to pay any employee overtime pay in an amount in excess of $30,000 during the calendar year beginning January 1, 2001:''.

SEC. 405. REPORT ON THE INTEGRATED AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM FOR POINTS OF ENTRY AND OVERSEAS CONSULAR POSTS.

(a) IN GENERAL.—The Attorney General, in consultation with the appropriate heads of other Federal agencies, including the Secretary of State, Secretary of the Treasury, and the Secretary of Transportation, shall report to Congress on the feasibility of enhancing the Integrated Automated Fingerprint Identification System (IAFIS) of the Federal Bureau of Investigation and other identification systems in order to better identify a person who holds a foreign passport or a visa and may be wanted in connection with a criminal investigation in the United States or abroad, before the issuance of a visa to that person or the entry or exit by that person from the United States.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated not less than $2,000,000 to carry out this section.

Subtitle B—Enhanced Immigration Provisions

SEC. 411. DEFINITIONS RELATING TO TERRORISM.

(a) GROUNDS OF INADMISSIBILITY.—Section 212(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)) is amended—

(1) in subparagraph (B)—

(A) in clause (i)—

(i) by amending subclause (IV) to read as follows:

''(IV) is a representative (as defined in clause (v)) of—

''(aa) a foreign terrorist organization, as designated by the Secretary of State under section 219, or

''(bb) a political, social or other similar group whose public endorsement of acts of terrorist activity the Secretary of State has determined undermines United States efforts to reduce or eliminate terrorist activities,'';

(ii) in subclause (V), by inserting ''or'' after ''section 219,''; and

(iii) by adding at the end the following new subclauses:

''(VI) has used the alien's position of prominence within any country to endorse or espouse terrorist activity, or to persuade others to support terrorist activity or a terrorist organization, in a way that the Secretary of State has determined undermines United States efforts to reduce or eliminate terrorist activities, or

''(VII) is the spouse or child of an alien who is inadmissible under this section, if the activity causing the alien to be found inadmissible occurred within the last 5 years,'';

(B) by redesignating clauses (ii), (iii), and (iv) as clauses (iii), (iv), and (v), respectively;

(C) in clause (i)(II), by striking ''clause (iii)'' and inserting ''clause (iv)'';

(D) by inserting after clause (i) the following:

''(ii) EXCEPTION.—Subclause (VII) of clause (i) does not apply to a spouse or child—

''(I) who did not know or should not reasonably have known of the activity causing the alien to be found inadmissible under this section; or

''(II) whom the consular officer or Attorney General has reasonable grounds to believe has renounced the activity causing the alien to be found inadmissible under this section.'';

(E) in clause (iii) (as redesignated by subparagraph (B))—

(i) by inserting ''it had been'' before ''committed in the United States''; and

(ii) in subclause (V)(b), by striking ''or firearm'' and inserting '', firearm, or other weapon or dangerous device'';

(F) by amending clause (iv) (as redesignated by subparagraph (B)) to read as follows:

''(iv) ENGAGE IN TERRORIST ACTIVITY DEFINED.—As used in this chapter, the term 'engage in terrorist activity' means, in an individual capacity or as a member of an organization—

''(I) to commit or to incite to commit, under circumstances indicating an intention to cause death or serious bodily injury, a terrorist activity;

''(II) to prepare or plan a terrorist activity;

''(III) to gather information on potential targets for terrorist activity;

''(IV) to solicit funds or other things of value for—

''(aa) a terrorist activity;

''(bb) a terrorist organization described in clauses (vi)(I) or (vi)(II); or

''(cc) a terrorist organization described in clause (vi)(III), unless the solicitor can demonstrate that he did not know, and should not reasonably have known, that the solicitation would further the organization's terrorist activity;

''(V) to solicit any individual—

''(aa) to engage in conduct otherwise described in this clause;

''(bb) for membership in a terrorist organization described in clauses (vi)(I) or (vi)(II); or

''(cc) for membership in a terrorist organization described in clause (vi)(III), unless the solicitor can demonstrate that he did not know, and should not reasonably have known, that the solicitation would further the organization's terrorist activity; or

''(VI) to commit an act that the actor knows, or reasonably should know, affords material support, including a safe house, transportation, communications, funds, transfer of funds or other material financial benefit, false documentation or identification, weapons (including chemical, biological, or radiological weapons), explosives, or training—

''(aa) for the commission of a terrorist activity;

''(bb) to any individual who the actor knows, or reasonably should know, has committed or plans to commit a terrorist activity;

''(cc) to a terrorist organization described in clauses (vi)(I) or (vi)(II); or

''(dd) to a terrorist organization described in clause (vi)(III), unless the actor can demonstrate that he did not know, and should not reasonably have known, that the act would further the organization's terrorist activity.

This clause shall not apply to any material support the alien afforded to an organization or individual that has committed terrorist activity, if the Secretary of State, after consultation with the Attorney General, or the Attorney General, after consultation with the Secretary of State, concludes in his sole unreviewable discretion, that this clause should not apply.''; and

(D) by adding at the end the following new clause:

''(vi) TERRORIST ORGANIZATION DEFINED.—As used in clause (i)(VI) and clause (iv), the term 'terrorist organization' means an organization—

''(I) designated under section 219;

''(II) otherwise designated, upon publication in the Federal Register, by the Secretary of State in consultation with or upon the request of the Attorney General, as a terrorist organization, after finding that it engages in the activities described in subclause (I), (II), or (III) of clause (iv), or that it provides material support to further terrorist activity; or

''(III) that is a group of two or more individuals, whether organized or not, which engages in the activities described in subclause (I), (II), or (III) of clause (iv).''; and

(2) by adding at the end the following new subparagraph:

''(F) ASSOCIATION WITH TERRORIST ORGANIZATIONS.—Any alien who the Secretary of State, after consultation with the Attorney General, or the Attorney General, after consultation with the Secretary of State, determines has been associated with a terrorist organization and intends while in the United States to engage solely, principally, or incidentally in activities that could endanger the welfare, safety, or security of the United States is inadmissible.''.

(b) CONFORMING AMENDMENT.—Section 237(a)(4)(B) of the Immigration and Nationality Act (8 U.S.C. 1227(a)(4)(B)) is amended by striking ''section 212(a)(3)(B)(iii)'' and inserting ''section 212(a)(3)(B)(iv)''.

(c) RETROACTIVE APPLICATION OF AMENDMENTS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of enactment of this Act and shall apply to—

(A) actions taken by an alien before, on, or after such date; and

(B) all aliens, without regard to the date of entry or attempted entry into the United States—

(i) in removal proceedings on or after such date (except for proceedings in which there has been a final administrative decision before such date); or

(ii) seeking admission to the United States on or after such date.

(2) SPECIAL RULE FOR ALIENS IN EXCLUSION OR DEPORTATION PROCEEDINGS.—Notwithstanding any other provision of law, the amendments made by this section shall apply to all aliens in exclusion or deportation proceedings on or after the date of enactment of this Act (except for proceedings in which there has been a final administrative decision before such date) as if such proceedings were removal proceedings.

(3) SPECIAL RULE FOR SECTION 219 ORGANIZATIONS AND ORGANIZATIONS DESIGNATED UNDER SECTION 212(a)(3)(B)(vi)(II).—

(A) IN GENERAL.—Notwithstanding paragraphs (1) and (2), no alien shall be considered inadmissible under section 212(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)), or deportable under section 237(a)(4)(B) of such Act (8 U.S.C. 1227(a)(4)(B)), by reason of the amendments made by subsection (a), on the ground that the alien engaged in a terrorist activity described in subclause (IV)(bb), (V)(bb), or (VI)(cc) of section 212(a)(3)(B)(iv) of such Act (as so amended) with respect to a group at any time when the group was not a terrorist organization designated by the Secretary of State under section 219 of such Act (8 U.S.C. 1189) or otherwise designated under section 212(a)(3)(B)(vi)(II).

(B) STATUTORY CONSTRUCTION.—Subparagraph (A) shall not be construed to prevent an alien from being considered inadmissible or deportable for having engaged in a terrorist activity—

(i) described in subclause (IV)(bb), (V)(bb), or (VI)(cc) of section 212(a)(3)(B)(iv) of such Act (as so amended) with respect to a terrorist organization at any time when such organization was designated by the Secretary of State under section 219 of such Act or otherwise designated under section 212(a)(3)(B)(vi)(II); or

(ii) described in subclause (IV)(cc), (V)(cc), or (VI)(dd) of section 212(a)(3)(B)(iv) of such Act (as so amended) with respect to a terrorist organization described in section 212(a)(3)(B)(vi)(III).

(4) EXCEPTION.—The Secretary of State, in consultation with the Attorney General, may determine that the amendments made by this section shall not apply with respect to actions by an alien taken outside the United States before the date of enactment of this Act upon the recommendation of a consular officer who has concluded that there is not reasonable ground to believe that the alien knew or reasonably should have known that the actions would further a terrorist activity.

(c) DESIGNATION OF FOREIGN TERRORIST ORGANIZATIONS.—Section 219(a) of the Immigration and Nationality Act (8 U.S.C. 1189(a)) is amended—

(1) in paragraph (1)(B), by inserting ''or terrorism (as defined in section 140(d)(2) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f(d)(2)) or retains the capability and intent to engage in terrorist activity or terrorism)'' after ''212(a)(3)(B))'';

(2) in paragraph (1)(C), by inserting ''or terrorism'' after ''terrorist activity'';

(3) by amending paragraph (2)(A) to read as follows:

''(A) NOTICE.—

''(i) TO CONGRESSIONAL LEADERS.—Seven days before making a designation under this subsection, the Secretary shall, by classified communication, notify the Speaker and Minority Leader of the House of Representatives, the President pro tempore, Majority Leader, and Minority Leader of the Senate, and the members of the relevant committees, in writing, of the intent to designate an organization under this subsection, together with the findings made under paragraph (1) with respect to that organization, and the factual basis therefor.

''(ii) PUBLICATION IN FEDERAL REGISTER.—The Secretary shall publish the designation in the Federal Register seven days after providing the notification under clause (i).'';

(4) in paragraph (2)(B)(i), by striking ''subparagraph (A)'' and inserting ''subparagraph (A)(ii)'';

(5) in paragraph (2)(C), by striking ''paragraph (2)'' and inserting ''paragraph (2)(A)(i)'';

(6) in paragraph (3)(B), by striking ''subsection (c)'' and inserting ''subsection (b)'';

(7) in paragraph (4)(B), by inserting after the first sentence the following: ''The Secretary also may redesignate such organization at the end of any 2-year redesignation period (but not sooner than 60 days prior to the termination of such period) for an additional 2-year period upon a finding that the relevant circumstances described in paragraph (1) still exist. Any redesignation shall be effective immediately following the end of the prior 2-year designation or redesignation period unless a different effective date is provided in such redesignation.'';

(8) in paragraph (6)(A)—

(A) by inserting ''or a redesignation made under paragraph (4)(B)'' after ''paragraph (1)'';

(B) in clause (i)—

(i) by inserting ''or redesignation'' after ''designation'' the first place it appears; and

(ii) by striking ''of the designation''; and

(C) in clause (ii), by striking ''of the designation'';

(9) in paragraph (6)(B)—

(A) by striking ''through (4)'' and inserting ''and (3)''; and

(B) by inserting at the end the following new sentence: ''Any revocation shall take effect on the date specified in the revocation or upon publication in the Federal Register if no effective date is specified.'';

(10) in paragraph (7), by inserting '', or the revocation of a redesignation under paragraph (6),'' after ''paragraph (5) or (6)''; and

(11) in paragraph (8)—

(A) by striking ''paragraph (1)(B)'' and inserting ''paragraph (2)(B), or if a redesignation under this subsection has become effective under paragraph (4)(B)'';

(B) by inserting ''or an alien in a removal proceeding'' after ''criminal action''; and

(C) by inserting ''or redesignation'' before ''as a defense''.

SEC. 412. MANDATORY DETENTION OF SUSPECTED TERRORISTS; HABEAS CORPUS; JUDICIAL REVIEW.

(a) IN GENERAL.—The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended by inserting after section 236 the following:

''MANDATORY DETENTION OF SUSPECTED TERRORISTS; HABEAS CORPUS; JUDICIAL REVIEW

''SEC. 236A. (a) DETENTION OF TERRORIST ALIENS.—

''(1) CUSTODY.—The Attorney General shall take into custody any alien who is certified under paragraph (3).

''(2) RELEASE.—Except as provided in paragraph (5), the Attorney General shall maintain custody of such an alien until the alien is removed from the United States. Such custody shall be maintained irrespective of any relief from removal for which the alien may be eligible, or any relief from removal granted the alien, until the Attorney General determines that the alien is no longer an alien who may be certified under paragraph (3).

''(3) CERTIFICATION.—The Attorney General may certify an alien under this paragraph if the Attorney General has reasonable grounds to believe that the alien—

''(A) is described in section 212(a)(3)(A)(i), 212(a)(3)(A)(iii), 212(a)(3)(B), 237(a)(4)(A)(i), 237(a)(4)(A)(iii), or 237(a)(4)(B); or

''(B) is engaged in any other activity that endangers the national security of the United States.

''(4) NONDELEGATION.—The Attorney General may delegate the authority provided under paragraph (3) only to the Commissioner. The Commissioner may not delegate such authority.

''(5) COMMENCEMENT OF PROCEEDINGS.—The Attorney General shall place an alien detained under paragraph (1) in removal proceedings, or shall charge the alien with a criminal offense, not later than 7 days after the commencement of such detention. If the requirement of the preceding sentence is not satisfied, the Attorney General shall release the alien.

''(b) HABEAS CORPUS AND JUDICIAL REVIEW.—Judicial review of any action or decision relating to this section (including judicial review of the merits of a determination made under subsection (a)(3)) is available exclusively in habeas corpus proceedings in the United States District Court for the District of Columbia. Notwithstanding any other provision of law, including section 2241 of title 28, United States Code, except as provided in the preceding sentence, no court shall have jurisdiction to review, by habeas corpus petition or otherwise, any such action or decision.

''(c) STATUTORY CONSTRUCTION.—The provisions of this section shall not be applicable to any other provisions of the Immigration and Nationality Act.''.

(b) CLERICAL AMENDMENT.—The table of contents of the Immigration and Nationality Act is amended by inserting after the item relating to section 236 the following:

''Sec. 236A. Mandatory detention of suspected terrorist; habeas corpus; judicial review.''.

(c) REPORTS.—Not later than 6 months after the date of the enactment of this Act, and every 6 months thereafter, the Attorney General shall submit a report to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate, with respect to the reporting period, on—

(1) the number of aliens certified under section 236A(a)(3) of the Immigration and Nationality Act, as added by subsection (a);

(2) the grounds for such certifications;

(3) the nationalities of the aliens so certified;

(4) the length of the detention for each alien so certified; and

(5) the number of aliens so certified who—

(A) were granted any form of relief from removal;

(B) were removed;

(C) the Attorney General has determined are no longer aliens who may be so certified; or

(D) were released from detention.

SEC. 413. MULTILATERAL COOPERATION AGAINST TERRORISTS.

Section 222(f) of the Immigration and Nationality Act (8 U.S.C. 1202(f)) is amended—

(1) by striking ''except that in the discretion of'' and inserting the following: ''except that—

''(1) in the discretion of''; and

(2) by adding at the end the following:

''(2) the Secretary of State, in the Secretary's discretion and on the basis of reciprocity, may provide to a foreign government information in the Department of State's computerized visa lookout database and, when necessary and appropriate, other records covered by this section related to information in the database—

''(A) with regard to individual aliens, at any time on a case-by-case basis for the purpose of preventing, investigating, or punishing acts that would constitute a crime in the United States, including, but not limited to, terrorism or trafficking in controlled substances, persons, or illicit weapons; or

''(B) with regard to any or all aliens in the database, pursuant to such conditions as the Secretary of State shall establish in an agreement with the foreign government in which that government agrees to use such information and records for the purposes described in subparagraph (A) or to deny visas to persons who would be inadmissible to the United States.''.

TITLE V—REMOVING OBSTACLES TO INVESTIGATING TERRORISM

SEC. 501. PROFESSIONAL STANDARDS FOR GOVERNMENT ATTORNEYS ACT OF 2001.

(a) SHORT TITLE.—This title may be cited as the ''Professional Standards for Government Attorneys Act of 2001''.

(b) PROFESSIONAL STANDARDS FOR GOVERNMENT ATTORNEYS.—Section 530B of title 28, United States Code, is amended to read as follows:

''§ 530B. Professional Standards for Government Attorneys

''(a) DEFINITIONS.—In this section:

''(1) GOVERNMENT ATTORNEY.—The term 'Government attorney'—

''(A) means the Attorney General; the Deputy Attorney General; the Solicitor General; the Associate Attorney General; the head of, and any attorney employed in, any division, office, board, bureau, component, or agency of the Department of Justice; any United States Attorney; any Assistant United States Attorney; any Special Assistant to the Attorney General or Special Attorney appointed under section 515; any Special Assistant United States Attorney appointed under section 543 who is authorized to conduct criminal or civil law enforcement investigations or proceedings on behalf of the United States; any other attorney employed by the Department of Justice who is authorized to conduct criminal or civil law enforcement proceedings on behalf of the United States; any independent counsel, or employee of such counsel, appointed under chapter 40; and any outside special counsel, or employee of such counsel, as may be duly appointed by the Attorney General; and

''(B) does not include any attorney employed as an investigator or other law enforcement agent by the Department of Justice who is not authorized to represent the United States in criminal or civil law enforcement litigation or to supervise such proceedings.

''(2) STATE.—The term 'State' includes a Territory and the District of Columbia.

''(b) CHOICE OF LAW.—Subject to any uniform national rule prescribed by the Supreme Court under chapter 131, the standards of professional responsibility that apply to a Government attorney with respect to the attorney's work for the Government shall be—

''(1) for conduct in connection with a proceeding in or before a court, or conduct reasonably intended to lead to a proceeding in or before a court, the standards of professional responsibility established by the rules and decisions of the court in or before which the proceeding is brought or is intended to be brought;

''(2) for conduct in connection with a grand jury proceeding, or conduct reasonably intended to lead to a grand jury proceeding, the standards of professional responsibility established by the rules and decisions of the court under whose authority the grand jury was or will be impaneled; and

''(3) for all other conduct, the standards of professional responsibility established by the rules and decisions of the Federal district court for the judicial district in which the attorney principally performs his or her official duties.

''(c) LICENSURE.—A Government attorney (except foreign counsel employed in special cases)—

''(1) shall be duly licensed and authorized to practice as an attorney under the laws of a State; and

''(2) shall not be required to be a member of the bar of any particular State.

''(d) UNDERCOVER ACTIVITIES.—Notwithstanding any provision of State law, including disciplinary rules, statutes, regulations, constitutional provisions, or case law, a Government attorney may, for the purpose of enforcing Federal law, provide legal advice, authorization, concurrence, direction, or supervision on conducting undercover activities, and any attorney employed as an investigator or other law enforcement agent by the Department of Justice who is not authorized to represent the United States in criminal or civil law enforcement litigation or to supervise such proceedings may participate in such activities, even though such activities may require the use of deceit or misrepresentation, where such activities are consistent with Federal law.

''(e) ADMISSIBILITY OF EVIDENCE.—No violation of any disciplinary, ethical, or professional conduct rule shall be construed to permit the exclusion of otherwise admissible evidence in any Federal criminal proceedings.

''(f) RULEMAKING AUTHORITY.—The Attorney General shall make and amend rules of the Department of Justice to ensure compliance with this section.''.

(c) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 31 of title 28, United States Code, is amended, in the item relating to section 530B, by striking ''Ethical standards for attorneys for the Government'' and inserting ''Professional standards for Government attorneys''.

(d) REPORTS.—

(1) UNIFORM RULE.—In order to encourage the Supreme Court to prescribe, under chapter 131 of title 28, United States Code, a uniform national rule for Government attorneys with respect to communications with represented persons and parties, not later than 1 year after the date of enactment of this Act, the Judicial Conference of the United States shall submit to the Chief Justice of the United States a report, which shall include recommendations with respect to

amending the Federal Rules of Practice and Procedure to provide for such a uniform national rule.

(2) ACTUAL OR POTENTIAL CONFLICTS.—Not later than 2 years after the date of enactment of this Act, the Judicial Conference of the United States shall submit to the Chairmen and Ranking Members of the Committees on the Judiciary of the House of Representatives and the Senate a report, which shall include—

(A) a review of any areas of actual or potential conflict between specific Federal duties related to the investigation and prosecution of violations of Federal law and the regulation of Government attorneys (as that term is defined in section 530B of title 28, United States Code, as amended by this Act) by existing standards of professional responsibility; and

(B) recommendations with respect to amending the Federal Rules of Practice and Procedure to provide for additional rules governing attorney conduct to address any areas of actual or potential conflict identified pursuant to the review under subparagraph (A).

(3) REPORT CONSIDERATIONS.—In carrying out paragraphs (1) and (2), the Judicial Conference of the United States shall take into consideration—

(A) the needs and circumstances of multiforum and multijurisdictional litigation;

(B) the special needs and interests of the United States in investigating and prosecuting violations of Federal criminal and civil law; and

(C) practices that are approved under Federal statutory or case law or that are otherwise consistent with traditional Federal law enforcement techniques.

SEC. 502. ATTORNEY GENERAL'S AUTHORITY TO PAY REWARDS TO COMBAT TERRORISM.

(a) PAYMENT OF REWARDS TO COMBAT TERRORISM.—Funds available to the Attorney General may be used for the payment of rewards pursuant to public advertisements for assistance to the Department of Justice to combat terrorism and defend the Nation against terrorist acts, in accordance with procedures and regulations established or issued by the Attorney General.

(b) CONDITIONS.—In making rewards under this section—

(1) no such reward of $250,000 or more may be made or offered without the personal approval of either the Attorney General or the President;

(2) the Attorney General shall give written notice to the Chairmen and ranking minority members of the Committees on Appropriations and the Judiciary of the Senate and of the House of Representatives not later than 30 days after the approval of a reward under paragraph (1);

(3) any executive agency or military department (as defined, respectively, in sections 105 and 102 of title 5, United States Code) may provide the Attorney General with funds for the payment of rewards;

(4) neither the failure of the Attorney General to authorize a payment nor the amount authorized shall be subject to judicial review; and

(5) no such reward shall be subject to any per- or aggregate reward spending limitation established by law, unless that law expressly refers to this section, and no reward paid pursuant to any such offer shall count toward any such aggregate reward spending limitation.

SEC. 503. SECRETARY OF STATE'S AUTHORITY TO PAY REWARDS.

Section 36 of the State Department Basic Authorities Act of 1956 (Public Law 885, August 1, 1956; 22 U.S.C. 2708) is amended—

(1) in subsection (b)—

(A) in paragraph (4), by striking ''or'' at the end;

(B) in paragraph (5), by striking the period at the end and inserting '', including by dismantling an organization in whole or significant part; or''; and

(C) by adding at the end the following:

''(6) the identification or location of an individual who holds a key leadership position in a terrorist organization.'';

(2) in subsection (d), by striking paragraphs (2) and (3) and redesignating paragraph (4) as paragraph (2); and

(3) in subsection (e)(1), by inserting '', except as personally authorized by the Secretary of State if he determines that offer or payment of an award of a larger amount is necessary to combat terrorism or defend the Nation against terrorist acts.'' after ''$5,000,000''.

SEC. 504. DNA IDENTIFICATION OF TERRORISTS AND OTHER VIOLENT OFFENDERS.

Section 3(d)(2) of the DNA Analysis Backlog Elimination Act of 2000 (42 U.S.C. 14135a(d)(2)) is amended to read as follows:

''(2) In additional to the offenses described in paragraph (1), the following offenses shall be treated for purposes of this section as qualifying Federal offenses, as determined by the Attorney General:

''(A) Any offense listed in section 2332b(g)(5)(B) of title 18, United States Code.

''(B) Any crime of violence (as defined in section 16 of title 18, United States Code).

''(C) Any attempt or conspiracy to commit any of the above offenses.''.

SEC. 505. COORDINATION WITH LAW ENFORCEMENT.

(a) INFORMATION ACQUIRED FROM AN ELECTRONIC SURVEILLANCE.—Section 106 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1806), is amended by adding at the end the following:

''(k)(1) Federal officers who conduct electronic surveillance to acquire foreign intelligence information under this title may consult with Federal law enforcement officers to coordinate efforts to investigate or protect against—

''(A) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;

''(B) sabotage or international terrorism by a foreign power or an agent of a foreign power; or

''(C) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power.

''(2) Coordination authorized under paragraph (1) shall not preclude the certification required by section 104(a)(7)(B) or the entry of an order under section 105.''.

(b) INFORMATION ACQUIRED FROM A PHYSICAL SEARCH.—Section 305 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1825) is amended by adding at the end the following:

''(k)(1) Federal officers who conduct physical searches to acquire foreign intelligence information under this title may consult with Federal law enforcement officers to coordinate efforts to investigate or protect against—

''(A) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;

''(B) sabotage or international terrorism by a foreign power or an agent of a foreign power; or

''(C) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power.

''(2) Coordination authorized under paragraph (1) shall not preclude the certification required by section 303(a)(7) or the entry of an order under section 304.''.

SEC. 506. MISCELLANEOUS NATIONAL SECURITY AUTHORITIES.

(a) TELEPHONE TOLL AND TRANSACTIONAL RECORDS.—Section 2709(b) of title 18, United States Code, is amended—

(1) in the matter preceding paragraph (1), by inserting ''at Bureau headquarters or a Special Agent in Charge in a Bureau field office designated by the Director'' after ''Assistant Director'';

(2) in paragraph (1)—

(A) by striking ''in a position not lower than Deputy Assistant Director''; and

(B) by striking ''made that'' and all that follows and inserting the following: ''made that the name, address, length of service, and toll billing records sought are relevant to an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely on the basis of activities protected by the first amendment to the Constitution of the United States; and''; and

(3) in paragraph (2)—

(A) by striking ''in a position not lower than Deputy Assistant Director''; and

(B) by striking ''made that'' and all that follows and inserting the following: ''made that the information sought is relevant to an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.''.

(b) FINANCIAL RECORDS.—Section 1114(a)(5)(A) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3414(a)(5)(A)) is amended—

(1) by inserting ''in a position not lower than Deputy Assistant Director at Bureau headquarters or a Special Agent in Charge in a Bureau field office designated by the Director'' after ''designee''; and

(2) by striking ''sought'' and all that follows and inserting ''sought for foreign counter intelligence purposes to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.''.

(c) CONSUMER REPORTS.—Section 624 of the Fair Credit Reporting Act (15 U.S.C. 1681u) is amended—

(1) in subsection (a)—

(A) by inserting ''in a position not lower than Deputy Assistant Director at Bureau headquarters or a Special Agent in Charge of a Bureau field office designated by the Director'' after ''designee'' the first place it appears; and

(B) by striking ''in writing that'' and all that follows through the end and inserting the following: ''in writing, that such information is sought for the conduct of an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.'';

(2) in subsection (b)—

(A) by inserting ''in a position not lower than Deputy Assistant Director at Bureau headquarters or a Special Agent in Charge of a Bureau field office designated by the Director'' after ''designee'' the first place it appears; and

(B) by striking ''in writing that'' and all that follows through the end and inserting

the following: ''in writing that such information is sought for the conduct of an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.''; and

(3) in subsection (c)—

(A) by inserting ''in a position not lower than Deputy Assistant Director at Bureau headquarters or a Special Agent in Charge in a Bureau field office designated by the Director'' after ''designee of the Director''; and

(B) by striking ''in camera that'' and all that follows through ''States.'' and inserting the following: ''in camera that the consumer report is sought for the conduct of an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.''.

SEC. 507. EXTENSION OF SECRET SERVICE JURISDICTION.

(a) CONCURRENT JURISDICTION UNDER 18 U.S.C. 1030.—Section 1030(d) of title 18, United States Code, is amended to read as follows:

''(d)(1) The United States Secret Service shall, in addition to any other agency having such authority, have the authority to investigate offenses under this section.

''(2) The Federal Bureau of Investigation shall have primary authority to investigate offenses under subsection (a)(1) for any cases involving espionage, foreign counterintelligence, information protected against unauthorized disclosure for reasons of national defense or foreign relations, or Restricted Data (as that term is defined in section 11y of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)), except for offenses affecting the duties of the United States Secret Service pursuant to section 3056(a) of this title.

''(3) Such authority shall be exercised in accordance with an agreement which shall be entered into by the Secretary of the Treasury and the Attorney General.''.

(b) REAUTHORIZATION OF JURISDICTION UNDER 18 U.S.C. 1344.—Section 3056(b)(3) of title 18, United States Code, is amended by striking ''credit and debit card frauds, and false identification documents or devices'' and inserting ''access device frauds, false identification documents or devices, and any fraud or other criminal or unlawful activity in or against any federally insured financial institution''.

SEC. 508. DISCLOSURE OF EDUCATIONAL RECORDS.

Section 444 of the General Education Provisions Act (20 U.S.C. 1232g), is amended by adding after subsection (i) a new subsection (j) to read as follows:

''(j) INVESTIGATION AND PROSECUTION OF TERRORISM.—

''(1) IN GENERAL.—Notwithstanding subsections (a) through (i) or any provision of State law, the Attorney General (or any Federal officer or employee, in a position not lower than an Assistant Attorney General, designated by the Attorney General) may submit a written application to a court of competent jurisdiction for an ex parte order requiring an educational agency or institution to permit the Attorney General (or his designee) to—

''(A) collect education records in the possession of the educational agency or institution that are relevant to an authorized investigation or prosecution of an offense listed in section 2332b(g)(5)(B) of title 18 United States Code, or an act of domestic or international terrorism as defined in section 2331 of that title; and

''(B) for official purposes related to the investigation or prosecution of an offense described in paragraph (1)(A), retain, disseminate, and use (including as evidence at trial or in other administrative or judicial proceedings) such records, consistent with such guidelines as the Attorney General, after consultation with the Secretary, shall issue to protect confidentiality.

''(2) APPLICATION AND APPROVAL.—

''(A) IN GENERAL.—An application under paragraph (1) shall certify that there are specific and articulable facts giving reason to believe that the education records are likely to contain information described in paragraph (1)(A).

''(B) The court shall issue an order described in paragraph (1) if the court finds that the application for the order includes the certification described in subparagraph (A).

''(3) PROTECTION OF EDUCATIONAL AGENCY OR INSTITUTION.—An educational agency or institution that, in good faith, produces education records in accordance with an order issued under this subsection shall not be liable to any person for that production.

''(4) RECORD-KEEPING.—Subsection (b)(4) does not apply to education records subject to a court order under this subsection.''.

SEC. 509. DISCLOSURE OF INFORMATION FROM NCES SURVEYS.

Section 408 of the National Education Statistics Act of 1994 (20 U.S.C. 9007), is amended by adding after subsection (b) a new subsection (c) to read as follows:

''(c) INVESTIGATION AND PROSECUTION OF TERRORISM.—

''(1) IN GENERAL.—Notwithstanding subsections (a) and (b), the Attorney General (or any Federal officer or employee, in a position not lower than an Assistant Attorney General, designated by the Attorney General) may submit a written application to a court of competent jurisdiction for an ex parte order requiring the Secretary to permit the Attorney General (or his designee) to—

''(A) collect reports, records, and information (including individually identifiable information) in the possession of the center that are relevant to an authorized investigation or prosecution of an offense listed in section 2332b(g)(5)(B) of title 18, United States Code, or an act of domestic or international terrorism as defined in section 2331 of that title; and

''(B) for official purposes related to the investigation or prosecution of an offense described in paragraph (1)(A), retain, disseminate, and use (including as evidence at trial or in other administrative or judicial proceedings) such information, consistent with such guidelines as the Attorney General, after consultation with the Secretary, shall issue to protect confidentiality.

''(2) APPLICATION AND APPROVAL.—

''(A) IN GENERAL.—An application under paragraph (1) shall certify that there are specific and articulable facts giving reason to believe that the information sought is described in paragraph (1)(A).

''(B) The court shall issue an order described in paragraph (1) if the court finds that the application for the order includes the certification described in subparagraph (A).

''(3) PROTECTION.—An officer or employee of the Department who, in good faith, produces information in accordance with an order issued under this subsection does not violate subsection (b)(2) and shall not be liable to any person for that production.''.

TITLE VI—PROVIDING FOR VICTIMS OF TERRORISM, PUBLIC SAFETY OFFICERS, AND THEIR FAMILIES

Subtitle A—Aid to Families of Public Safety Officers

SEC. 611. EXPEDITED PAYMENT FOR PUBLIC SAFETY OFFICERS INVOLVED IN THE PREVENTION, INVESTIGATION, RESCUE, OR RECOVERY EFFORTS RELATED TO A TERRORIST ATTACK.

(a) IN GENERAL.—Notwithstanding the limitations of subsection (b) of section 1201 or the provisions of subsections (c), (d), and (e) of such section or section 1202 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796, 3796a), upon certification (containing identification of all eligible payees of benefits pursuant to section 1201 of such Act) by a public agency that a public safety officer employed by such agency was killed or suffered a catastrophic injury producing permanent and total disability as a direct and proximate result of a personal injury sustained in the line of duty as described in section 1201 of such Act in connection with prevention, investigation, rescue, or recovery efforts related to a terrorist attack, the Director of the Bureau of Justice Assistance shall authorize payment to qualified beneficiaries, said payment to be made not later than 30 days after receipt of such certification, benefits described under subpart 1 of part L of such Act (42 U.S.C. 3796 et seq.).

(b) DEFINITIONS.—For purposes of this section, the terms ''catastrophic injury'', ''public agency'', and ''public safety officer'' have the same meanings given such terms in section 1204 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b).

SEC. 612. TECHNICAL CORRECTION WITH RESPECT TO EXPEDITED PAYMENTS FOR HEROIC PUBLIC SAFETY OFFICERS.

Section 1 of Public Law 107-37 (an Act to provide for the expedited payment of certain benefits for a public safety officer who was killed or suffered a catastrophic injury as a direct and proximate result of a personal injury sustained in the line of duty in connection with the terrorist attacks of September 11, 2001) is amended by—

(1) inserting before ''by a'' the following: ''(containing identification of all eligible payees of benefits pursuant to section 1201)'';

(2) inserting ''producing permanent and total disability'' after ''suffered a catastrophic injury''; and

(2) striking ''1201(a)'' and inserting ''1201''.

SEC. 613. PUBLIC SAFETY OFFICERS BENEFIT PROGRAM PAYMENT INCREASE.

(a) PAYMENTS.—Section 1201(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796) is amended by striking ''$100,000'' and inserting ''$250,000''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to any death or disability occurring on or after January 1, 2001.

SEC. 614. OFFICE OF JUSTICE PROGRAMS.

Section 112 of title I of section 101(b) of division A of Public Law 105–277 and section 108(a) of appendix A of Public Law 106–113 (113 Stat. 1501A–20) are amended—

(1) after ''that Office'', each place it occurs, by inserting ''(including, notwithstanding any contrary provision of law (unless the same should expressly refer to this section), any organization that administers any program established in title 1 of Public Law 90–351)''; and

(2) by inserting ''functions, including any'' after ''all''.

Subtitle B—Amendments to the Victims of Crime Act of 1984

SEC. 621. CRIME VICTIMS FUND.

(a) DEPOSIT OF GIFTS IN THE FUND.—Section 1402(b) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(b)) is amended—

(1) in paragraph (3), by striking ''and'' at the end;

(2) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(5) any gifts, bequests, or donations to the Fund from private entities or individuals.''.

(b) FORMULA FOR FUND DISTRIBUTIONS.—Section 1402(c) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(c)) is amended to read as follows:

''(c) FUND DISTRIBUTION; RETENTION OF SUMS IN FUND; AVAILABILITY FOR EXPENDITURE WITHOUT FISCAL YEAR LIMITATION.—

''(1) Subject to the availability of money in the Fund, in each fiscal year, beginning with fiscal year 2003, the Director shall distribute not less than 90 percent nor more than 110 percent of the amount distributed from the Fund in the previous fiscal year, except the Director may distribute up to 120 percent of the amount distributed in the previous fiscal year in any fiscal year that the total amount available in the Fund is more than 2 times the amount distributed in the previous fiscal year.

''(2) In each fiscal year, the Director shall distribute amounts from the Fund in accordance with subsection (d). All sums not distributed during a fiscal year shall remain in reserve in the Fund to be distributed during a subsequent fiscal year. Notwithstanding any other provision of law, all sums deposited in the Fund that are not distributed shall remain in reserve in the Fund for obligation in future fiscal years, without fiscal year limitation.''.

(c) ALLOCATION OF FUNDS FOR COSTS AND GRANTS.—Section 1402(d)(4) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(d)(4)) is amended—

(1) by striking ''deposited in'' and inserting ''to be distributed from'';

(2) in subparagraph (A), by striking ''48.5'' and inserting ''47.5'';

(3) in subparagraph (B), by striking ''48.5'' and inserting ''47.5''; and

(4) in subparagraph (C), by striking ''3'' and inserting ''5''.

(d) ANTITERRORISM EMERGENCY RESERVE.—Section 1402(d)(5) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(d)(5)) is amended to read as follows:

''(5)(A) In addition to the amounts distributed under paragraphs (2), (3), and (4), the Director may set aside up to $50,000,000 from the amounts transferred to the Fund for use in responding to the airplane hijackings and terrorist acts that occurred on September 11, 2001, as an antiterrorism emergency reserve. The Director may replenish any amounts expended from such reserve in subsequent fiscal years by setting aside up to 5 percent of the amounts remaining in the Fund in any fiscal year after distributing amounts under paragraphs (2), (3) and (4). Such reserve shall not exceed $50,000,000.

''(B) The antiterrorism emergency reserve referred to in subparagraph (A) may be used for supplemental grants under section 1404B and to provide compensation to victims of international terrorism under section 1404C.

''(C) Amounts in the antiterrorism emergency reserve established pursuant to subparagraph (A) may be carried over from fiscal year to fiscal year. Notwithstanding subsection (c) and section 619 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2001 (and any similar limitation on Fund obligations in any future Act, unless the same should expressly refer to this section), any such amounts carried over shall not be subject to any limitation on obligations from amounts deposited to or available in the Fund.''.

(e) VICTIMS OF SEPTEMBER 11, 2001.—Amounts transferred to the Crime Victims Fund for use in responding to the airplane hijackings and terrorist acts (including any related search, rescue, relief, assistance, or other similar activities) that occurred on September 11, 2001, shall not be subject to any limitation on obligations from amounts deposited to or available in the Fund, notwithstanding—

(1) section 619 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2001, and any similar limitation on Fund obligations in such Act for Fiscal Year 2002; and

(2) subsections (c) and (d) of section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601).

SEC. 622. CRIME VICTIM COMPENSATION.

(a) ALLOCATION OF FUNDS FOR COMPENSATION AND ASSISTANCE.—Paragraphs (1) and (2) of section 1403(a) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(a)) are amended by inserting ''in fiscal year 2002 and of 60 percent in subsequent fiscal years'' after ''40 percent''.

(b) LOCATION OF COMPENSABLE CRIME.—Section 1403(b)(6)(B) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(b)(6)(B)) is amended by striking ''are outside the United States (if the compensable crime is terrorism, as defined in section 2331 of title 18), or''.

(c) RELATIONSHIP OF CRIME VICTIM COMPENSATION TO MEANS-TESTED FEDERAL BENEFIT PROGRAMS.—Section 1403 of the Victims of Crime Act of 1984 (42 U.S.C. 10602) is amended by striking subsection (c) and inserting the following:

''(c) EXCLUSION FROM INCOME, RESOURCES, AND ASSETS FOR PURPOSES OF MEANS TESTS.—Notwithstanding any other law (other than title IV of Public Law 107–42), for the purpose of any maximum allowed income, resource, or asset eligibility requirement in any Federal, State, or local government program using Federal funds that provides medical or other assistance (or payment or reimbursement of the cost of such assistance), any amount of crime victim compensation that the applicant receives through a crime victim compensation program under this section shall not be included in the income, resources, or assets of the applicant, nor shall that amount reduce the amount of the assistance available to the applicant from Federal, State, or local government programs using Federal funds, unless the total amount of assistance that the applicant receives from all such programs is sufficient to fully compensate the applicant for losses suffered as a result of the crime.''.

(d) DEFINITIONS OF ''COMPENSABLE CRIME'' AND ''STATE''.—Section 1403(d) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(d)) is amended—

(1) in paragraph (3), by striking ''crimes involving terrorism,''; and

(2) in paragraph (4), by inserting ''the United States Virgin Islands,'' after ''the Commonwealth of Puerto Rico,''.

(e) RELATIONSHIP OF ELIGIBLE CRIME VICTIM COMPENSATION PROGRAMS TO THE SEPTEMBER 11TH VICTIM COMPENSATION FUND.—

(1) IN GENERAL.—Section 1403(e) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(e)) is amended by inserting ''including the program established under title IV of Public Law 107–42,'' after ''Federal program,''.

(2) COMPENSATION.—With respect to any compensation payable under title IV of Public Law 107–42, the failure of a crime victim compensation program, after the effective date of final regulations issued pursuant to section 407 of Public Law 107–42, to provide compensation otherwise required pursuant to section 1403 of the Victims of Crime Act of 1984 (42 U.S.C. 10602) shall not render that program ineligible for future grants under the Victims of Crime Act of 1984.

SEC. 623. CRIME VICTIM ASSISTANCE.

(a) ASSISTANCE FOR VICTIMS IN THE DISTRICT OF COLUMBIA, PUERTO RICO, AND OTHER TERRITORIES AND POSSESSIONS.—Section 1404(a) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)) is amended by adding at the end the following:

''(6) An agency of the Federal Government performing local law enforcement functions in and on behalf of the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, or any other territory or possession of the United States may qualify as an eligible crime victim assistance program for the purpose of grants under this subsection, or for the purpose of grants under subsection (c)(1).''.

(b) PROHIBITION ON DISCRIMINATION AGAINST CERTAIN VICTIMS.—Section 1404(b)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(b)(1)) is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(F) does not discriminate against victims because they disagree with the way the State is prosecuting the criminal case.''.

(c) GRANTS FOR PROGRAM EVALUATION AND COMPLIANCE EFFORTS.—Section 1404(c)(1)(A) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(c)(1)(A)) is amended by inserting '', program evaluation, compliance efforts,'' after ''demonstration projects''.

(d) ALLOCATION OF DISCRETIONARY GRANTS.—Section 1404(c)(2) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(c)(2)) is amended—

(1) in subparagraph (A), by striking ''not more than'' and inserting ''not less than''; and

(2) in subparagraph (B), by striking ''not less than'' and inserting ''not more than''.

(e) FELLOWSHIPS AND CLINICAL INTERNSHIPS.—Section 1404(c)(3) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(c)(3)) is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(E) use funds made available to the Director under this subsection—

''(i) for fellowships and clinical internships; and

''(ii) to carry out programs of training and special workshops for the presentation and dissemination of information resulting from demonstrations, surveys, and special projects.''.

SEC. 624. VICTIMS OF TERRORISM.

(a) COMPENSATION AND ASSISTANCE TO VICTIMS OF DOMESTIC TERRORISM.—Section 1404B(b) of the Victims of Crime Act of 1984 (42 U.S.C. 10603b(b)) is amended to read as follows:

''(b) VICTIMS OF TERRORISM WITHIN THE UNITED STATES.—The Director may make supplemental grants as provided in section 1402(d)(5) to States for eligible crime victim compensation and assistance programs, and to victim service organizations, public agencies (including Federal, State, or local governments) and nongovernmental organizations that provide assistance to victims of crime, which shall be used to provide emergency relief, including crisis response efforts, assistance, compensation, training and

technical assistance, and ongoing assistance, including during any investigation or prosecution, to victims of terrorist acts or mass violence occurring within the United States.''.

(b) ASSISTANCE TO VICTIMS OF INTERNATIONAL TERRORISM.—Section 1404B(a)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10603b(a)(1)) is amended by striking ''who are not persons eligible for compensation under title VIII of the Omnibus Diplomatic Security and Antiterrorism Act of 1986''.

(c) COMPENSATION TO VICTIMS OF INTERNATIONAL TERRORISM.—Section 1404C(b) of the Victims of Crime of 1984 (42 U.S.C. 10603c(b)) is amended by adding at the end the following: ''The amount of compensation awarded to a victim under this subsection shall be reduced by any amount that the victim received in connection with the same act of international terrorism under title VIII of the Omnibus Diplomatic Security and Antiterrorism Act of 1986.''.

TITLE VII—INCREASED INFORMATION SHARING FOR CRITICAL INFRASTRUCTURE PROTECTION

SEC. 711. EXPANSION OF REGIONAL INFORMATION SHARING SYSTEM TO FACILITATE FEDERAL-STATE-LOCAL LAW ENFORCEMENT RESPONSE RELATED TO TERRORIST ATTACKS.

Section 1301 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796h) is amended—

(1) in subsection (a), by inserting ''and terrorist conspiracies and activities'' after ''activities'';

(2) in subsection (b)—

(A) in paragraph (3), by striking ''and'' after the semicolon;

(B) by redesignating paragraph (4) as paragraph (5);

(C) by inserting after paragraph (3) the following:

''(4) establishing and operating secure information sharing systems to enhance the investigation and prosecution abilities of participating enforcement agencies in addressing multi-jurisdictional terrorist conspiracies and activities; and (5)''; and

(3) by inserting at the end the following:

''(d) AUTHORIZATION OF APPROPRIATION TO THE BUREAU OF JUSTICE ASSISTANCE.—There are authorized to be appropriated to the Bureau of Justice Assistance to carry out this section $50,000,000 for fiscal year 2002 and $100,000,000 for fiscal year 2003.''.

TITLE VIII—STRENGTHENING THE CRIMINAL LAWS AGAINST TERRORISM

SEC. 801. TERRORIST ATTACKS AND OTHER ACTS OF VIOLENCE AGAINST MASS TRANSPORTATION SYSTEMS.

Chapter 97 of title 18, United States Code, is amended by adding at the end the following:

''§ 1993. Terrorist attacks and other acts of violence against mass transportation systems

''(a) GENERAL PROHIBITIONS.—Whoever willfully—

''(1) wrecks, derails, sets fire to, or disables a mass transportation vehicle or ferry;

''(2) places or causes to be placed any biological agent or toxin for use as a weapon, destructive substance, or destructive device in, upon, or near a mass transportation vehicle or ferry, without previously obtaining the permission of the mass transportation provider, and with intent to endanger the safety of any passenger or employee of the mass transportation provider, or with a reckless disregard for the safety of human life;

''(3) sets fire to, or places any biological agent or toxin for use as a weapon, destructive substance, or destructive device in, upon, or near any garage, terminal, structure, supply, or facility used in the operation of, or in support of the operation of, a mass transportation vehicle or ferry, without previously obtaining the permission of the mass transportation provider, and knowing or having reason to know such activity would likely derail, disable, or wreck a mass transportation vehicle or ferry used, operated, or employed by the mass transportation provider;

''(4) removes appurtenances from, damages, or otherwise impairs the operation of a mass transportation signal system, including a train control system, centralized dispatching system, or rail grade crossing warning signal;

''(5) interferes with, disables, or incapacitates any dispatcher, driver, captain, or person while they are employed in dispatching, operating, or maintaining a mass transportation vehicle or ferry, with intent to endanger the safety of any passenger or employee of the mass transportation provider, or with a reckless disregard for the safety of human life;

''(6) commits an act, including the use of a dangerous weapon, with the intent to cause death or serious bodily injury to an employee or passenger of a mass transportation provider or any other person while any of the foregoing are on the property of a mass transportation provider;

''(7) conveys or causes to be conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this subsection; or

''(8) attempts, threatens, or conspires to do any of the aforesaid acts,

shall be fined under this title or imprisoned not more than twenty years, or both, if such act is committed, or in the case of a threat or conspiracy such act would be committed, on, against, or affecting a mass transportation provider engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

''(b) AGGRAVATED OFFENSE.—Whoever commits an offense under subsection (a) in a circumstance in which—

''(1) the mass transportation vehicle or ferry was carrying a passenger at the time of the offense; or

''(2) the offense has resulted in the death of any person,

shall be guilty of an aggravated form of the offense and shall be fined under this title or imprisoned for a term of years or for life, or both.

''(c) DEFINITIONS.—In this section—

''(1) the term 'biological agent' has the meaning given to that term in section 178(1) of this title;

''(2) the term 'dangerous weapon' has the meaning given to that term in section 930 of this title;

''(3) the term 'destructive device' has the meaning given to that term in section 921(a)(4) of this title;

''(4) the term 'destructive substance' has the meaning given to that term in section 31 of this title;

''(5) the term 'mass transportation' has the meaning given to that term in section 5302(a)(7) of title 49, United States Code, except that the term shall include schoolbus, charter, and sightseeing transportation;

''(6) the term 'serious bodily injury' has the meaning given to that term in section 1365 of this title;

''(7) the term 'State' has the meaning given to that term in section 2266 of this title; and

''(8) the term 'toxin' has the meaning given to that term in section 178(2) of this title.''.

(f) CONFORMING AMENDMENT.—The analysis of chapter 97 of title 18, United States Code, is amended by adding at the end:

''1993. Terrorist attacks and other acts of violence against mass transportation systems.''.

SEC. 802. EXPANSION OF THE BIOLOGICAL WEAPONS STATUTE.

Chapter 10 of title 18, United States Code, is amended—

(1) in section 175—

(A) in subsection (b)—

(i) by striking ''does not include'' and inserting ''includes'';

(ii) by inserting ''other than'' after ''system for''; and

(iii) by inserting ''bona fide research'' after ''protective'';

(B) by redesignating subsection (b) as subsection (c); and

(C) by inserting after subsection (a) the following:

''(b) ADDITIONAL OFFENSE.—Whoever knowingly possesses any biological agent, toxin, or delivery system of a type or in a quantity that, under the circumstances, is not reasonably justified by a prophylactic, protective, bona fide research, or other peaceful purpose, shall be fined under this title, imprisoned not more than 10 years, or both. In this subsection, the terms 'biological agent' and 'toxin' do not encompass any biological agent or toxin that is in its naturally occurring environment, if the biological agent or toxin has not been cultivated, collected, or otherwise extracted from its natural source.'';

(2) by inserting after section 175a the following:

''SEC. 175b. POSSESSION BY RESTRICTED PERSONS.

''(a) No restricted person described in subsection (b) shall ship or transport interstate or foreign commerce, or possess in or affecting commerce, any biological agent or toxin, or receive any biological agent or toxin that has been shipped or transported in interstate or foreign commerce, if the biological agent or toxin is listed as a select agent in subsection (j) of section 72.6 of title 42, Code of Federal Regulations, pursuant to section 511(d)(1) of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132), and is not exempted under subsection (h) of such section 72.6, or appendix A of part 72 of the Code of Regulations.

''(b) In this section:

''(1) The term 'select agent' does not include any such biological agent or toxin that is in its naturally-occurring environment, if the biological agent or toxin has not been cultivated, collected, or otherwise extracted from its natural source.

''(2) The term 'restricted person' means an individual who—

''(A) is under indictment for a crime punishable by imprisonment for a term exceeding 1 year;

''(B) has been convicted in any court of a crime punishable by imprisonment for a term exceeding 1 year;

''(C) is a fugitive from justice;

''(D) is an unlawful user of any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

''(E) is an alien illegally or unlawfully in the United States;

''(F) has been adjudicated as a mental defective or has been committed to any mental institution;

''(G) is an alien (other than an alien lawfully admitted for permanent residence) who is a national of a country as to which the Secretary of State, pursuant to section 6(j) of the Export Administration Act of 1979 (50

U.S.C. App. 2405(j)), section 620A of chapter 1 of part M of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), or section 40(d) of chapter 3 of the Arms Export Control Act (22 U.S.C. 2780(d)), has made a determination (that remains in effect) that such country has repeatedly provided support for acts of international terrorism; or

''(H) has been discharged from the Armed Services of the United States under dishonorable conditions.

''(3) The term 'alien' has the same meaning as in section 1010(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3)).

''(4) The term 'lawfully admitted for permanent residence' has the same meaning as in section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)).

''(c) Whoever knowingly violates this section shall be fined as provided in this title, imprisoned not more than 10 years, or both, but the prohibition contained in this section shall not apply with respect to any duly authorized United States governmental activity.''; and

(3) in the chapter analysis, by inserting after the item relating to section 175a the following:

''175b. Possession by restricted persons.''.

SEC. 803. DEFINITION OF DOMESTIC TERRORISM.

(a) DOMESTIC TERRORISM DEFINED.—Section 2331 of title 18, United States Code, is amended—

(1) in paragraph (1)(B)(iii), by striking ''by assassination or kidnapping'' and inserting ''by mass destruction, assassination, or kidnapping'';

(2) in paragraph (3), by striking ''and'';

(3) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(5) the term 'domestic terrorism' means activities that—

''(A) involve acts dangerous to human life that are a violation of the criminal laws of the United States or of any State;

''(B) appear to be intended—

''(i) to intimidate or coerce a civilian population;

''(ii) to influence the policy of a government by intimidation or coercion; or

''(iii) to affect the conduct of a government by mass destruction, assassination, or kidnapping; and

''(C) occur primarily within the territorial jurisdiction of the United States.''.

(b) CONFORMING AMENDMENT.—Section 3077(1) of title 18, United States Code, is amended to read as follows:

''(1) 'act of terrorism' means an act of domestic or international terrorism as defined in section 2331;''.

SEC. 804. PROHIBITION AGAINST HARBORING TERRORISTS.

(a) IN GENERAL.—Chapter 113B of title 18, United States Code, is amended by adding after section 2338 the following new section:

''§ 2339. Harboring or concealing terrorists

''(a) Whoever harbors or conceals any person who he knows, or has reasonable grounds to believe, has committed, or is about to commit, an offense under section 32 (relating to destruction of aircraft or aircraft facilities), section 175 (relating to biological weapons), section 229 (relating to chemical weapons), section 831 (relating to nuclear materials), paragraph (2) or (3) of section 844(f) (relating to arson and bombing of government property risking or causing injury or death), section 1366(a) (relating to the destruction of an energy facility), section 2280 (relating to violence against maritime navigation), section 2332a (relating to weapons of mass destruction), or section 2332b (relating to acts of terrorism transcending national boundaries) of this title, section 236(a) (relating to sabotage of nuclear facilities or fuel) of the Atomic Energy Act of 1954 (42 U.S.C. 2284(a)), or section 46502 (relating to aircraft piracy) of title 49, shall be fined under this title or imprisoned not more than ten years, or both.''.

''(b) A violation of this section may be prosecuted in any Federal judicial district in which the underlying offense was committed, or in any other Federal judicial district as provided by law.''.

(b) TECHNICAL AMENDMENT.—The chapter analysis for chapter 113B of title 18, United States Code, is amended by inserting after the item for section 2338 the following:

''2339. Harboring or concealing terrorists.''.

SEC. 805. JURISDICTION OVER CRIMES COMMITTED AT U.S. FACILITIES ABROAD.

Section 7 of title 18, United States Code, is amended by adding at the end the following:

''(9) With respect to offenses committed by or against a United States national, as defined in section 1203(c) of this title—

''(A) the premises of United States diplomatic, consular, military or other United States Government missions or entities in foreign States, including the buildings, parts of buildings, and land appurtenant or ancillary thereto or used for purposes of those missions or entities, irrespective of ownership; and

''(B) residences in foreign States and the land appurtenant or ancillary thereto, irrespective of ownership, used for purposes of those missions or entities or used by United States personnel assigned to those missions or entities.

Nothing in this paragraph shall be deemed to supersede any treaty or international agreement in force on the date of enactment of this paragraph with which this paragraph conflicts. This paragraph does not apply with respect to an offense committed by a person described in section 3261(a) of this title.''.

SEC. 806. MATERIAL SUPPORT FOR TERRORISM.

(a) IN GENERAL.—Section 2339A of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking '', within the United States,'';

(B) by inserting ''229,'' after ''175,'';

(C) by inserting ''1993,'' after ''1992,'';

(D) by inserting '', section 236 of the Atomic Energy Act of 1954 (42 U.S.C. 2284),'' after ''of this title'';

(E) by inserting ''or 60123(b)'' after ''46502''; and

(F) by inserting at the end the following: ''A violation of this section may be prosecuted in any Federal judicial district in which the underlying offense was committed, or in any other Federal judicial district as provided by law.''; and

(2) in subsection (b)—

(A) by striking ''or other financial securities'' and inserting ''or monetary instruments or financial securities''; and

(B) by inserting ''expert advice or assistance,'' after ''training,''.

(b) TECHNICAL AMENDMENT.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting ''or 2339B'' after ''2339A''.

SEC. 807. ASSETS OF TERRORIST ORGANIZATIONS.

Section 981(a)(1) of title 18, United States Code, is amended by inserting at the end the following:

''(G) All assets, foreign or domestic—

''(i) of any person, entity, or organization engaged in planning or perpetrating any act of domestic or international terrorism (as defined in section 2331) against the United States, citizens or residents of the United States, or their property, and all assets, foreign or domestic, affording any person a source of influence over any such entity or organization;

''(ii) acquired or maintained by any person for the purpose of supporting, planning, conducting, or concealing an act of domestic or international terrorism (as defined in section 2331) against the United States, citizens or residents of the United States, or their property; or

''(iii) derived from, involved in, or used or intended to be used to commit any act of domestic or international terrorism (as defined in section 2331) against the United States, citizens or residents of the United States, or their property.''.

SEC. 808. TECHNICAL CLARIFICATION RELATING TO PROVISION OF MATERIAL SUPPORT TO TERRORISM.

No provision of the Trade Sanctions Reform and Export Enhancement Act of 2000 (title IX of Public Law 106–387) shall be construed to limit or otherwise affect section 2339A or 2339B of title 18, United States Code.

SEC. 809. DEFINITION OF FEDERAL CRIME OF TERRORISM.

Section 2332b of title 18, United States Code, is amended—

(1) in subsection (f), by inserting after ''terrorism'' the following: ''and any violation of section 351(e), 844(e), 844(f)(1), 956(b), 1361, 1366(b), 1366(c), 1751(e), 2152, or 2156 of this title,'' before ''and the Secretary''; and

(2) in subsection (g)(5)(B), by striking clauses (i) through (iii) and inserting the following:

''(i) section 32 (relating to destruction of aircraft or aircraft facilities), 37 (relating to violence at international airports), 81 (relating to arson within special maritime and territorial jurisdiction), 175 or 175b (relating to biological weapons), 229 (relating to chemical weapons), 351 (a) through (d) (relating to congressional, cabinet, and Supreme Court assassination and kidnaping), 831 (relating to nuclear materials), 842(m) or (n) (relating to plastic explosives), 844(f) (2) through (3) (relating to arson and bombing of Government property risking or causing death), 844(i) (relating to arson and bombing of property used in interstate commerce), 930(c) (relating to killing or attempted killing during an attack on a Federal facility with a dangerous weapon), 956(a)(1) (relating to conspiracy to murder, kidnap, or maim within special maritime and territorial jurisdiction of the United States), 1030(a)(1) (relating to protection of computers), 1030(a)(5)(A)(i) resulting in damage as defined in 1030(a)(5)(B)(ii) through (v) (relating to protection of computers), 1114 (relating to killing or attempted killing of officers and employees of the United States), 1116 (relating to murder or manslaughter of foreign officials, official guests, or internationally protected persons), 1203 (relating to hostage taking), 1362 (relating to destruction of communication lines, stations, or systems), 1363 (relating to injury to buildings or property within special maritime and territorial jurisdiction of the United States), 1366(a) (relating to destruction of an energy facility), 1751 (a) through (d) (relating to Presidential and Presidential staff assassination and kidnaping), 1992 (relating to wrecking trains), 1993 (relating to terrorist attacks and other acts of violence against mass transportation systems), 2155 (relating to destruction of national defense materials, premises, or utilities), 2280 (relating to violence against maritime navigation), 2281 (relating to violence against maritime fixed platforms), 2332 (relating to certain homicides and other violence against United States nationals occurring outside of the United States), 2332a (relating to use of weapons of mass destruction), 2332b (relating to acts of terrorism transcending national boundaries), 2339 (relating to harboring terrorists), 2339A (relating to providing material support to terrorists), 2339B (relating to

providing material support to terrorist organizations), or 2340A (relating to torture) of this title;

''(ii) section 236 (relating to sabotage of nuclear facilities or fuel) of the Atomic Energy Act of 1954 (42 U.S.C. 2284); or

''(iii) section 46502 (relating to aircraft piracy), the second sentence of section 46504 (relating to assault on a flight crew with a dangerous weapon), section 46505(b)(3) or (c) (relating to explosive or incendiary devices, or endangerment of human life by means of weapons, on aircraft), section 46506 if homicide or attempted homicide is involved (relating to application of certain criminal laws to acts on aircraft), or section 60123(b) (relating to destruction of interstate gas or hazardous liquid pipeline facility) of title 49.''.

SEC. 810. NO STATUTE OF LIMITATION FOR CERTAIN TERRORISM OFFENSES.

(a) IN GENERAL.—Section 3286 of title 18, United States Code, is amended to read as follows:

''§ 3286. Extension of statute of limitation for certain terrorism offenses.

''(a) EIGHT-YEAR LIMITATION.—Notwithstanding section 3282, no person shall be prosecuted, tried, or punished for any noncapital offense involving a violation of any provision listed in section 2332b(g)(5)(B) other than a provision listed in section 3295, or a violation of section 112, 351(e), 1361, or 1751(e) of this title, or section 46504, 46505, or 46506 of title 49, unless the indictment is found or the information is instituted within 8 years after the offense was committed.

''(b) NO LIMITATION.—Notwithstanding any other law, an indictment may be found or an information instituted at any time without limitation for any offense listed in section 2332b(g)(5)(B), if the commission of such offense resulted in, or created a forseeable risk of, death or serious bodily injury to another person.''.

(b) APPLICATION.—The amendments made by this section shall apply to the prosecution of any offense committed before, on, or after the date of enactment of this section.

SEC. 811. ALTERNATE MAXIMUM PENALTIES FOR TERRORISM OFFENSES.

(a) ARSON.—Section 81 of title 18, United States Code, is amended in the second undesignated paragraph by striking ''not more than twenty years'' and inserting ''for any term of years or for life''.

(b) DESTRUCTION OF AN ENERGY FACILITY.—Section 1366 of title 18, United States Code, is amended—

(1) in subsection (a), by striking ''ten'' and inserting ''20''; and

(2) by adding at the end the following:

''(d) Whoever is convicted of a violation of subsection (a) or (b) that has resulted in the death of any person shall be subject to imprisonment for any term of years or life.''.

(c) MATERIAL SUPPORT TO TERRORISTS.—Section 2339A(a) of title 18, United States Code, is amended—

(1) by striking ''10'' and inserting ''15''; and

(2) by striking the period and inserting ''and, if the death of any person results, shall be imprisoned for any term of years or for life.''.

(d) MATERIAL SUPPORT TO DESIGNATED FOREIGN TERRORIST ORGANIZATIONS.—Section 2339B(a)(1) of title 18, United States Code, is amended—

(1) by striking ''10'' and inserting ''15''; and

(2) by striking the period after ''or both'' and inserting ''and, if the death of any person results, shall be imprisoned for any term of years or for life.''.

(e) DESTRUCTION OF NATIONAL-DEFENSE MATERIALS.—Section 2155(a) of title 18, United States Code, is amended—

(1) by striking ''ten'' and inserting ''20''; and

(2) by striking the period at the end and inserting '', and, if death results to any person, shall be imprisoned for any term of years or for life.''.

(f) SABOTAGE OF NUCLEAR FACILITIES OR FUEL.—Section 236 of the Atomic Energy Act of 1954 (42 U.S.C. 2284), is amended—

(1) by striking ''ten'' each place it appears and inserting ''20'';

(2) in subsection (a), by striking the period at the end and inserting '', and, if death results to any person, shall be imprisoned for any term of years or for life.''; and

(3) in subsection (b), by striking the period at the end and inserting '', and, if death results to any person, shall be imprisoned for any term of years or for life.''.

(g) SPECIAL AIRCRAFT JURISDICTION OF THE UNITED STATES.—Section 46505(c) of title 49, United States Code, is amended—

(1) by striking ''15'' and inserting ''20''; and

(2) by striking the period at the end and inserting '', and, if death results to any person, shall be imprisoned for any term of years or for life.''.

(h) DAMAGING OR DESTROYING AN INTERSTATE GAS OR HAZARDOUS LIQUID PIPELINE FACILITY.—Section 60123(b) of title 49, United States Code, is amended—

(1) by striking ''15'' and inserting ''20''; and

(2) by striking the period at the end and inserting '', and, if death results to any person, shall be imprisoned for any term of years or for life.''.

SEC. 812. PENALTIES FOR TERRORIST CONSPIRACIES.

(a) ARSON.—Section 81 of title 18, United States Code, is amended in the first undesignated paragraph—

(1) by striking '', or attempts to set fire to or burn''; and

(2) by inserting ''or attempts or conspires to do such an act,'' before ''shall be imprisoned''.

(b) KILLINGS IN FEDERAL FACILITIES.—

(1) Section 930(c) of title 18, United States Code, is amended—

(A) by striking ''or attempts to kill'';

(B) by inserting ''or attempts or conspires to do such an act,'' before ''shall be punished''; and

(C) by striking ''and 1113'' and inserting ''1113, and 1117''.

(2) Section 1117 of title 18, United States Code, is amended by inserting ''930(c),'' after ''section''.

(c) COMMUNICATIONS LINES, STATIONS, OR SYSTEMS.—Section 1362 of title 18, United States Code, is amended in the first undesignated paragraph—

(1) by striking ''or attempts willfully or maliciously to injure or destroy''; and

(2) by inserting ''or attempts or conspires to do such an act,'' before ''shall be fined''.

(d) BUILDINGS OR PROPERTY WITHIN SPECIAL MARITIME AND TERRITORIAL JURISDICTION.—Section 1363 of title 18, United States Code, is amended—

(1) by striking ''or attempts to destroy or injure''; and

(2) by inserting ''or attempts or conspires to do such an act,'' before ''shall be fined'' the first place it appears.

(e) WRECKING TRAINS.—Section 1992 of title 18, United States Code, is amended by adding at the end the following:

''(c) A person who conspires to commit any offense defined in this section shall be subject to the same penalties (other than the penalty of death) as the penalties prescribed for the offense, the commission of which was the object of the conspiracy.''.

(f) MATERIAL SUPPORT TO TERRORISTS.—Section 2339A of title 18, United States Code, is amended by inserting ''or attempts or conspires to do such an act,'' before ''shall be fined''.

(g) TORTURE.—Section 2340A of title 18, United States Code, is amended by adding at the end the following:

''(c) CONSPIRACY.—A person who conspires to commit an offense under this section shall be subject to the same penalties (other than the penalty of death) as the penalties prescribed for the offense, the commission of which was the object of the conspiracy.''.

(h) SABOTAGE OF NUCLEAR FACILITIES OR FUEL.—Section 236 of the Atomic Energy Act of 1954 (42 U.S.C. 2284), is amended—

(1) in subsection (a)—

(A) by striking '', or who intentionally and willfully attempts to destroy or cause physical damage to'';

(B) in paragraph (4), by striking the period at the end and inserting a comma; and

(C) by inserting ''or attempts or conspires to do such an act,'' before ''shall be fined''; and

(2) in subsection (b)—

(A) by striking ''or attempts to cause''; and

(B) by inserting ''or attempts or conspires to do such an act,'' before ''shall be fined''.

(i) INTERFERENCE WITH FLIGHT CREW MEMBERS AND ATTENDANTS.—Section 46504 of title 49, United States Code, is amended by inserting ''or attempts or conspires to do such an act,'' before ''shall be fined''.

(j) SPECIAL AIRCRAFT JURISDICTION OF THE UNITED STATES.—Section 46505 of title 49, United States Code, is amended by adding at the end the following:

''(e) CONSPIRACY.—If two or more persons conspire to violate subsection (b) or (c), and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be punished as provided in such subsection.''.

(k) DAMAGING OR DESTROYING AN INTERSTATE GAS OR HAZARDOUS LIQUID PIPELINE FACILITY.—Section 60123(b) of title 49, United States Code, is amended—

(1) by striking '', or attempting to damage or destroy,''; and

(2) by inserting '', or attempting or conspiring to do such an act,'' before ''shall be fined''.

SEC. 813. POST-RELEASE SUPERVISION OF TERRORISTS.

Section 3583 of title 18, United States Code, is amended by adding at the end the following:

''(j) SUPERVISED RELEASE TERMS FOR TERRORISM PREDICATES.—Notwithstanding subsection (b), the authorized term of supervised release for any offense listed in section 2332b(g)(5)(B), the commission of which resulted in, or created a foreseeable risk of, death or serious bodily injury to another person, is any term of years or life.''.

SEC. 814. INCLUSION OF ACTS OF TERRORISM AS RACKETEERING ACTIVITY.

Section 1961(1) of title 18, United States Code, is amended—

(1) by striking ''or (F)'' and inserting ''(F)''; and

(2) by inserting before the semicolon at the end the following: '', or (G) any act that is indictable as an offense listed in section 2332b(g)(5)(B)''.

SEC. 815. DETERRENCE AND PREVENTION OF CYBERTERRORISM.

(a) CLARIFICATION OF PROTECTION OF PROTECTED COMPUTERS.—Section 1030(a)(5) of title 18, United States Code, is amended—

(1) by inserting ''(i)'' after (A)'';

(2) by redesignating subparagraphs (B) and (C) as clauses (ii) and (iii), respectively;

(3) by adding ''and'' at the end of clause (iii), as so redesignated; and

(4) by adding at the end the following:

''(B) caused (or, in the case of an attempted offense, would, if completed, have caused) conduct described in clause (i), (ii), or (iii) of subparagraph (A) that resulted in—

''(i) loss to 1 or more persons during any 1-year period (including loss resulting from a related course of conduct affecting 1 or more other protected computers) aggregating at least $5,000 in value;

''(ii) the modification or impairment, or potential modification or impairment, of the medical examination, diagnosis, treatment, or care of 1 or more individuals;

''(iii) physical injury to any person;

''(iv) a threat to public health or safety; or

''(v) damage affecting a computer system used by or for a Government entity in furtherance of the administration of justice, national defense, or national security;''.

(b) PENALTIES.—Section 1030(c) of title 18, United States Code is amended—

(1) in paragraph (2)—

(A) in subparagraph (A) —

(i) by inserting ''except as provided in subparagraph (B),'' before ''a fine'';

(ii) by striking ''(a)(5)(C)'' and inserting ''(a)(5)(A)(iii)''; and

(iii) by striking ''and' at the end;

(B) in subparagraph (B), by inserting ''or an attempt to commit an offense punishable under this subparagraph,'' after ''subsection (a)(2),'' in the matter preceding clause (i); and

(C) in subparagraph (C), by striking ''and'' at the end;

(2) in paragraph (3)—

(A) by striking '', (a)(5)(A), (a)(5)(B),'' both places it appears; and

(B) by striking ''and'' at the end; and

(3) by striking ''(a)(5)(C)'' and inserting ''(a)(5)(A)(iii)''; and

(4) by adding at the end the following new paragraphs:

''(4)(A) a fine under this title, imprisonment for not more than 10 years, or both, in the case of an offense under subsection (a)(5)(A)(i), or an attempt to commit an offense punishable under that subsection;

''(B) a fine under this title, imprisonment for not more than 5 years, or both, in the case of an offense under subsection (a)(5)(A)(ii), or an attempt to commit an offense punishable under that subsection;

''(C) a fine under this title, imprisonment for not more than 20 years, or both, in the case of an offense under subsection (a)(5)(A)(i) or (a)(5)(A)(ii), or an attempt to commit an offense punishable under either subsection, that occurs after a conviction for another offense under this section.''.

(c) DEFINITIONS.—Subsection (e) of section 1030 of title 18, United States Code is amended—

(1) in paragraph (2)(B), by inserting '', including a computer located outside the United States'' before the semicolon;

(2) in paragraph (7), by striking ''and'' at the end;

(3) by striking paragraph (8) and inserting the following new paragraph (8):

''(8) the term 'damage' means any impairment to the integrity or availability of data, a program, a system, or information;'';

(4) in paragraph (9), by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following new paragraphs:

''(10) the term 'conviction' shall include a conviction under the law of any State for a crime punishable by imprisonment for more than 1 year, an element of which is unauthorized access, or exceeding authorized access, to a computer;

''(11) the term 'loss' includes any reasonable cost to any victim, including the cost of responding to an offense, conducting a damage assessment, and restoring the data, program, system, or information to its condition prior to the offense, and any revenue lost, cost incurred, or other consequential damages incurred because of interruption of service;

''(12) the term 'person' means any individual, firm, corporation, educational institution, financial institution, governmental entity, or legal or other entity;''.

(d) DAMAGES IN CIVIL ACTIONS.—Subsection (g) of section 1030 of title 18, United States Code is amended—

(1) by striking the second sentence and inserting the following new sentences: ''A suit for a violation of subsection (a)(5) may be brought only if the conduct involves one of the factors enumerated in subsection (a)(5)(B). Damages for a violation involving only conduct described in subsection (a)(5)(B)(i) are limited to economic damages.''; and

(2) by adding at the end the following: ''No action may be brought under this subsection for the negligent design or manufacture of computer hardware, computer software, or firmware.''.

(e) AMENDMENT OF SENTENCING GUIDELINES RELATING TO CERTAIN COMPUTER FRAUD AND ABUSE.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to ensure that any individual convicted of a violation of section 1030 of title 18, United States Code, can be subjected to appropriate penalties, without regard to any mandatory minimum term of imprisonment.

SEC. 816. ADDITIONAL DEFENSE TO CIVIL ACTIONS RELATING TO PRESERVING RECORDS IN RESPONSE TO GOVERNMENT REQUESTS.

Section 2707(e)(1) of title 18, United States Code, is amended by inserting after ''or statutory authorization'' the following: ''(including a request of a governmental entity under section 2703(f) of this title)''.

SEC. 817. DEVELOPMENT AND SUPPORT OF CYBERSECURITY FORENSIC CAPABILITIES.

(a) IN GENERAL.—The Attorney General shall establish such regional computer forensic laboratories as the Attorney General considers appropriate, and provide support to existing computer forensic laboratories, in order that all such computer forensic laboratories have the capability—

(1) to provide forensic examinations with respect to seized or intercepted computer evidence relating to criminal activity (including cyberterrorism);

(2) to provide training and education for Federal, State, and local law enforcement personnel and prosecutors regarding investigations, forensic analyses, and prosecutions of computer-related crime (including cyberterrorism);

(3) to assist Federal, State, and local law enforcement in enforcing Federal, State, and local criminal laws relating to computer-related crime;

(4) to facilitate and promote the sharing of Federal law enforcement expertise and information about the investigation, analysis, and prosecution of computer-related crime with State and local law enforcement personnel and prosecutors, including the use of multijurisdictional task forces; and

(5) to carry out such other activities as the Attorney General considers appropriate.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) AUTHORIZATION.—There is hereby authorized to be appropriated in each fiscal year $50,000,000 for purposes of carrying out this section.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations in paragraph (1) shall remain available until expended.

TITLE IX—IMPROVED INTELLIGENCE

SEC. 901. RESPONSIBILITIES OF DIRECTOR OF CENTRAL INTELLIGENCE REGARDING FOREIGN INTELLIGENCE COLLECTED UNDER FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

Section 103(c) of the National Security Act of 1947 (50 U.S.C. 403–3(c)) is amended—

(1) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(2) by inserting after paragraph (5) the following new paragraph (6):

''(6) establish requirements and priorities for foreign intelligence information to be collected under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), and provide assistance to the Attorney General to ensure that information derived from electronic surveillance or physical searches under that Act is disseminated so it may be used efficiently and effectively for foreign intelligence purposes, except that the Director shall have no authority to direct, manage, or undertake electronic surveillance operations pursuant to that Act unless otherwise authorized by statute or executive order;''.

SEC. 902. INCLUSION OF INTERNATIONAL TERRORIST ACTIVITIES WITHIN SCOPE OF FOREIGN INTELLIGENCE UNDER NATIONAL SECURITY ACT OF 1947.

Section 3 of the National Security Act of 1947 (50 U.S.C. 401a) is amended—

(1) in paragraph (2), by inserting before the period the following: '', or international terrorist activities''; and

(2) in paragraph (3), by striking ''and activities conducted'' and inserting '', and activities conducted,''.

SEC. 903. SENSE OF CONGRESS ON THE ESTABLISHMENT AND MAINTENANCE OF INTELLIGENCE RELATIONSHIPS TO ACQUIRE INFORMATION ON TERRORISTS AND TERRORIST ORGANIZATIONS.

It is the sense of Congress that officers and employees of the intelligence community of the Federal Government, acting within the course of their official duties, should be encouraged, and should make every effort, to establish and maintain intelligence relationships with any person, entity, or group for the purpose of engaging in lawful intelligence activities, including the acquisition of information on the identity, location, finances, affiliations, capabilities, plans, or intentions of a terrorist or terrorist organization, or information on any other person, entity, or group (including a foreign government) engaged in harboring, comforting, financing, aiding, or assisting a terrorist or terrorist organization.

SEC. 904. TEMPORARY AUTHORITY TO DEFER SUBMITTAL TO CONGRESS OF REPORTS ON INTELLIGENCE AND INTELLIGENCE-RELATED MATTERS.

(a) AUTHORITY TO DEFER.—The Secretary of Defense, Attorney General, and Director of Central Intelligence each may, during the effective period of this section, defer the date of submittal to Congress of any covered intelligence report under the jurisdiction of such official until February 1, 2002.

(b) COVERED INTELLIGENCE REPORT.—Except as provided in subsection (c), for purposes of subsection (a), a covered intelligence report is as follows:

(1) Any report on intelligence or intelligence-related activities of the United States Government that is required to be submitted to Congress by an element of the intelligence community during the effective period of this section.

(2) Any report or other matter that is required to be submitted to the Select Committee on Intelligence of the Senate and Permanent Select Committee on Intelligence of

the House of Representatives by the Department of Defense or the Department of Justice during the effective period of this section.

(c) EXCEPTION FOR CERTAIN REPORTS.—For purposes of subsection (a), any report required by section 502 or 503 of the National Security Act of 1947 (50 U.S.C. 413a, 413b) is not a covered intelligence report.

(d) NOTICE TO CONGRESS.—Upon deferring the date of submittal to Congress of a covered intelligence report under subsection (a), the official deferring the date of submittal of the covered intelligence report shall submit to Congress notice of the deferral. Notice of deferral of a report shall specify the provision of law, if any, under which the report would otherwise be submitted to Congress.

(e) EXTENSION OF DEFERRAL.—(1) Each official specified in subsection (a) may defer the date of submittal to Congress of a covered intelligence report under the jurisdiction of such official to a date after February 1, 2002, if such official submits to the committees of Congress specified in subsection (b)(2) before February 1, 2002, a certification that preparation and submittal of the covered intelligence report on February 1, 2002, will impede the work of officers or employees who are engaged in counterterrorism activities.

(2) A certification under paragraph (1) with respect to a covered intelligence report shall specify the date on which the covered intelligence report will be submitted to Congress.

(f) EFFECTIVE PERIOD.—The effective period of this section is the period beginning on the date of the enactment of this Act and ending on February 1, 2002.

(g) ELEMENT OF THE INTELLIGENCE COMMUNITY DEFINED.—In this section, the term ''element of the intelligence community'' means any element of the intelligence community specified or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 905. DISCLOSURE TO DIRECTOR OF CENTRAL INTELLIGENCE OF FOREIGN INTELLIGENCE-RELATED INFORMATION WITH RESPECT TO CRIMINAL INVESTIGATIONS.

(a) IN GENERAL.—Title I of the National Security Act of 1947 (50 U.S.C. 402 et seq.) is amended—

(1) by redesignating subsection 105B as section 105C; and

(2) by inserting after section 105A the following new section 105B:

''DISCLOSURE OF FOREIGN INTELLIGENCE ACQUIRED IN CRIMINAL INVESTIGATIONS; NOTICE OF CRIMINAL INVESTIGATIONS OF FOREIGN INTELLIGENCE SOURCES

''SEC. 105B. (a) DISCLOSURE OF FOREIGN INTELLIGENCE.—(1) Except as otherwise provided by law and subject to paragraph (2), the Attorney General, or the head of any other department or agency of the Federal Government with law enforcement responsibilities, shall expeditiously disclose to the Director of Central Intelligence, pursuant to guidelines developed by the Attorney General in consultation with the Director, foreign intelligence acquired by an element of the Department of Justice or an element of such department or agency, as the case may be, in the course of a criminal investigation.

''(2) The Attorney General by regulation and in consultation with the Director of Central Intelligence may provide for exceptions to the applicability of paragraph (1) for one or more classes of foreign intelligence, or foreign intelligence with respect to one or more targets or matters, if the Attorney General determines that disclosure of such foreign intelligence under that paragraph would jeopardize an ongoing law enforcement investigation or impair other significant law enforcement interests.

''(b) PROCEDURES FOR NOTICE OF CRIMINAL INVESTIGATIONS.—Not later than 180 days after the date of enactment of this section, the Attorney General, in consultation with the Director of Central Intelligence, shall develop guidelines to ensure that after receipt of a report from an element of the intelligence community of activity of a foreign intelligence source or potential foreign intelligence source that may warrant investigation as criminal activity, the Attorney General provides notice to the Director of Central Intelligence, within a reasonable period of time, of his intention to commence, or decline to commence, a criminal investigation of such activity.

''(c) PROCEDURES.—The Attorney General shall develop procedures for the administration of this section, including the disclosure of foreign intelligence by elements of the Department of Justice, and elements of other departments and agencies of the Federal Government, under subsection (a) and the provision of notice with respect to criminal investigations under subsection (b).''.

(b) CLERICAL AMENDMENT.—The table of contents in the first section of that Act is amended by striking the item relating to section 105B and inserting the following new items:

''Sec. 105B. Disclosure of foreign intelligence acquired in criminal investigations; notice of criminal investigations of foreign intelligence sources.

''Sec. 105C. Protection of the operational files of the National Imagery and Mapping Agency.''.

SEC. 906. FOREIGN TERRORIST ASSET TRACKING CENTER.

(a) REPORT ON RECONFIGURATION.—Not later than February 1, 2002, the Attorney General, the Director of Central Intelligence, and the Secretary of the Treasury shall jointly submit to Congress a report on the feasibility and desirability of reconfiguring the Foreign Terrorist Asset Tracking Center and the Office of Foreign Assets Control of the Department of the Treasury in order to establish a capability to provide for the effective and efficient analysis and dissemination of foreign intelligence relating to the financial capabilities and resources of international terrorist organizations.

(b) REPORT REQUIREMENTS.—(1) In preparing the report under subsection (a), the Attorney General, the Secretary, and the Director shall consider whether, and to what extent, the capacities and resources of the Financial Crimes Enforcement Center of the Department of the Treasury may be integrated into the capability contemplated by the report.

(2) If the Attorney General, Secretary, and the Director determine that it is feasible and desirable to undertake the reconfiguration described in subsection (a) in order to establish the capability described in that subsection, the Attorney General, the Secretary, and the Director shall include with the report under that subsection a detailed proposal for legislation to achieve the reconfiguration.

SEC. 907. NATIONAL VIRTUAL TRANSLATION CENTER.

(a) REPORT ON ESTABLISHMENT.—(1) Not later than February 1, 2002, the Director of Central Intelligence shall, in consultation with the Director of the Federal Bureau of Investigation, submit to the appropriate committees of Congress a report on the establishment and maintenance within the intelligence community of an element for purposes of providing timely and accurate translations of foreign intelligence for all other elements of the intelligence community. In the report, the element shall be referred to as the ''National Virtual Translation Center''.

(2) The report on the element described in paragraph (1) shall discuss the use of state-of-the-art communications technology, the integration of existing translation capabilities in the intelligence community, and the utilization of remote-connection capacities so as to minimize the need for a central physical facility for the element.

(b) RESOURCES.—The report on the element required by subsection (a) shall address the following:

(1) The assignment to the element of a staff of individuals possessing a broad range of linguistic and translation skills appropriate for the purposes of the element.

(2) The provision to the element of communications capabilities and systems that are commensurate with the most current and sophisticated communications capabilities and systems available to other elements of intelligence community.

(3) The assurance, to the maximum extent practicable, that the communications capabilities and systems provided to the element will be compatible with communications capabilities and systems utilized by the Federal Bureau of Investigation in securing timely and accurate translations of foreign language materials for law enforcement investigations.

(4) The development of a communications infrastructure to ensure the efficient and secure use of the translation capabilities of the element.

(c) SECURE COMMUNICATIONS.—The report shall include a discussion of the creation of secure electronic communications between the element described by subsection (a) and the other elements of the intelligence community.

(d) DEFINITIONS.—In this section:

(1) FOREIGN INTELLIGENCE.—The term ''foreign intelligence'' has the meaning given that term in section 3(2) of the National Security Act of 1947 (50 U.S.C. 401a(2)).

(2) ELEMENT OF THE INTELLIGENCE COMMUNITY.—The term ''element of the intelligence community'' means any element of the intelligence community specified or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 908. TRAINING OF GOVERNMENT OFFICIALS REGARDING IDENTIFICATION AND USE OF FOREIGN INTELLIGENCE.

(a) PROGRAM REQUIRED.—The Attorney General shall, in consultation with the Director of Central Intelligence, carry out a program to provide appropriate training to officials described in subsection (b) in order to assist such officials in—

(1) identifying foreign intelligence information in the course of their duties; and

(2) utilizing foreign intelligence information in the course of their duties, to the extent that the utilization of such information is appropriate for such duties.

(b) OFFICIALS.—The officials provided training under subsection (a) are, at the discretion of the Attorney General and the Director, the following:

(1) Officials of the Federal Government who are not ordinarily engaged in the collection, dissemination, and use of foreign intelligence in the performance of their duties.

(2) Officials of State and local governments who encounter, or may encounter in the course of a terrorist event, foreign intelligence in the performance of their duties.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for the Department of Justice such sums as may be necessary for purposes of carrying out the program required by subsection (a).

By Mr. SPECTER:

S.J. Res. 24. A joint resolution honoring Maureen Reagan on the occasion of her death and expressing condolences to her family, including her husband Dennis Revell and her daughter Rita Revell; to the Committee on the Judiciary.

Mr. SPECTER. Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 24

Whereas the Congress is greatly saddened by the tragic death of Maureen Reagan on August 8, 2001;

Whereas Maureen Reagan's love of life and countless contributions to family and the Nation serve as an inspiration to millions;

Whereas Maureen Reagan was a remarkable advocate for a number of causes and had many passions, the greatest being her dedication to addressing the scourge of Alzheimer's disease;

Whereas in 1994 when former President Ronald Reagan announced that he had been diagnosed with Alzheimer's disease, Maureen Reagan joined her father and Nancy Reagan in the fight against Alzheimer's disease and became a national spokesperson for the Alzheimer's Association;

Whereas Maureen Reagan served as a tireless advocate to raise public awareness about Alzheimer's disease, support care givers, and substantially increase the Nation's commitment to research on Alzheimer's disease;

Whereas Maureen Reagan helped inspire the Congress to increase Federal research funding for Alzheimer's disease by amounts proportionate to increases in research funding for other major diseases;

Whereas Maureen Reagan went far beyond merely lending her name to the work of the Alzheimer's Association: she was a hands-on activist on the association's board of directors, a masterful fund-raiser, a forceful advocate, and a selfless and constant traveler to anywhere and everywhere Alzheimer's advocates needed help;

Whereas at every stop she made and every event she attended in her efforts to eradicate Alzheimer's disease through research, Maureen Reagan emphasized that researchers are in a ''race against time before Alzheimer's reaches epidemic levels'' with the aging of the Baby Boomers;

Whereas Maureen Reagan stated before the Congress in 2000 that ''14 million Baby Boomers are living with a death sentence of Alzheimer's today'';

Whereas despite her declining health, Maureen Reagan never decreased her efforts in her battle to eliminate Alzheimer's disease;

Whereas during the last six months of her life, from her hospital bed and home, Maureen Reagan urged the Congress to invest $1,000,000,000 to fund research at the National Institutes of Health focused on Alzheimer's disease;

Whereas Maureen Reagan said, ''The best scientific minds have been brought into the race against Alzheimer's, a solid infrastructure is in place, and the path for further investigations is clear. What's missing is the money, especially the Federal investment, to keep up the pace.''; and

Whereas Maureen Reagan's remarkable advocacy for the millions affected and afflicted by Alzheimer's disease will forever serve as an inspiration to continue and ultimately win the battle against the illness: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress, on the occasion of the tragic and untimely death of Maureen Reagan—

(1) recognizes Maureen Reagan as one of the Nation's most beloved and forceful champions for action to cure Alzheimer's disease and treat those suffering from the illness; and

(2) expresses deep and heartfelt condolences to the family of Maureen Reagan, including her husband Dennis Revell and her daughter Rita Revell.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 168—CONGRATULATING AND HONORING CAL RIPKEN, JR. FOR HIS AMAZING AND STORYBOOK CAREER AS A PLAYER FOR THE BALTIMORE ORIOLES AND THANKING HIM FOR HIS CONTRIBUTIONS TO BASEBALL, THE STATE OF MARYLAND, AND THE UNITED STATES

Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. BINGAMAN, Mr. HATCH, Mr. HUTCHINSON, and Mr. REID) submitted the following resolution; which was considered and agreed to:

S. RES. 168

Whereas Calvin (Cal) Edwin Ripken, Jr. was born in Havre de Grace, Maryland on August 24th, 1960;

Whereas Cal Ripken, Jr. was raised in Aberdeen, Maryland and taught baseball by his father, Cal Ripken Sr., who spent his career with the Baltimore Orioles where he developed the Ripken Way;

Whereas Cal Ripken, Jr. entered the major leagues in 1981 as a Baltimore Oriole and played his entire 21 year career for the Orioles, ranking third all-time in Major League Baseball for years played with 1 team and first during the period of free agency;

Whereas Cal Ripken, Jr. redefined the shortstop position, both offensively by hitting the most home runs as a shortstop in major league history and receiving the most Silver Slugger Awards by a shortstop, and defensively by setting 11 different fielding records;

Whereas on May 30th, 1982, Cal Ripken, Jr. played in the first game of his Iron Man Streak;

Whereas Cal Ripken, Jr. was named the American League (AL) Rookie of the Year in 1982;

Whereas Cal Ripken, Jr. led the Baltimore Orioles to a World Championship Season in 1983, winning the AL Most Valuable Player (MVP) award, becoming the first and only player to win the Rookie of the Year and MVP awards in back-to-back seasons;

Whereas in 1987, Cal Ripken, Jr. ended his consecutive innings played streak with a record 8,243;

Whereas in 1987, Cal Ripken, Jr., playing with brother Billy Ripken at second base and father Cal Ripken, Sr. as manager, became a part of the first pair of brothers to play together for their father in the history of Major League Baseball, making the name Ripken synonymous with the Baltimore Orioles;

Whereas Cal Ripken, Jr. was the first recipient of the Bart Giamatti Caring Award in 1989;

Whereas in 1990, Cal Ripken, Jr. had the greatest defensive single season of any shortstop, setting major league records in fielding percentage (.996), fewest errors committed (3), and consecutive games without an error (95);

Whereas in 1991, Cal Ripken, Jr. won his second AL MVP award, becoming 1 of only 22 major leaguers to win multiple MVP awards, won the first of 2 Golden Glove awards, and became the first player in baseball history to win the All-Star MVP and Home Run Contest in the same season as winning the MVP award;

Whereas in 1992, Cal Ripken, Jr. was awarded the Roberto Clemente Award, presented annually to the player who best exemplifies the game of baseball both on and off the field;

Whereas on September 6th, 1995, Cal Ripken, Jr. played in his 2131st consecutive game, breaking the record of the great and honorable Lou Gehrig;

Whereas in Cal Ripken Jr.'s 14 seasons of pursuit of Lou Gehrig's record, Cal Ripken, Jr. conducted himself with complete dignity, humility, and honor that attracted the attention of both baseball fans and all Americans and played a crucial role in bringing baseball back as America's national pastime after the labor problems of baseball in 1994;

Whereas in 1995, Cal Ripken, Jr. earned the following awards: the Associated Press and United Press International Male Athlete of the Year; The Sporting News Award Major League Player of the Year; and the Sports Illustrated Sportsman of the Year;

Whereas on September 20th, 1998, Cal Ripken, Jr. voluntarily ended his consecutive games streak at 2632;

Whereas in 1999, Cal Ripken, Jr. became 1 of 32 players to hit over 400 home runs;

Whereas in 2000, Cal Ripken, Jr. became 1 of 24 players with 3,000 hits, joining only 6 other players with over 400 home runs and 3,000 hits and becoming only the second infielder and first shortstop or third baseman to be in this club, along with fellow Baltimore Oriole first baseman and good friend Eddie Murray;

Whereas Cal Ripken, Jr. was named to Major League Baseball's All-Century Team in 2000;

Whereas Cal Ripken, Jr. won his second All-Star Game MVP award in 2001, becoming the first American League player to win 2 such MVP awards, and setting baseball records for most All-Star appearances at 19, All-Star starts at 17, All-star starts at shortstop at 14, and consecutive starts at 16;

Whereas Cal Ripken, Jr. is retiring from the game that he loves to continue his other passions, the teaching of baseball to children and charitable work through the ''Reading, Runs, and Ripken'' program, the Cal Ripken Little League Division which has over 700,000 children, the Kelly and Cal Ripken, Jr. Foundation, and the Cal Ripken, Jr./Lou Gehrig ALS Research Fund;

Whereas Cal Ripken, Jr. has pledged $9,000,000 for the construction of a baseball facility in Harford County, Maryland; and

Whereas Cal Ripken, Jr. transcended the game of baseball and became a symbol of excellence, reliability, consistency, and served as a role model for the children of his hometown of Aberdeen, Maryland, the city of Baltimore, Maryland, all Maryland residents, and all Americans: Now, therefore, be it

Resolved,

SECTION 1. HONORING CAL RIPKEN, JR.

The Senate—

(1) honors and congratulates Cal Ripken, Jr. for—

(A) his contributions to both baseball and America as an exemplar of endurance, professionalism, and the American work ethic;

(B) his entire career as a Baltimore Oriole, a major league baseball player, and for his conduct both on and off the field;